Supreme Court, U.S.
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No. 00-565

In The
Supreme Court of the United States

EXPRESS SERVICES, INC.,
Petitioner,

v.

CAREERS EXPRESS STAFFING SERVICES, et al.,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

In a suit under the Lanham Act for infringement of a registered trademark, does the plaintiff bear the burden of proving that the mark is distinctive (as the Third, Fifth, and Seventh Circuits hold), or does the defendant bear the burden of proving that the mark is *not* distinctive (as the First, Second, Fourth, Sixth, Eighth, and Ninth Circuits hold)?

PARTIES TO THE PROCEEDING

Petitioners

Petitioner Express Services, Inc., has no parent corporation, nor is there any company that owns 10% or more of its stock.

Respondents

Careers Express Staffing Services; Tammy M. Ford, d/b/a Careers Express Staffing Services.

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Express Services, Inc., respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Third Circuit in this case.

OPINIONS BELOW

The opinion of the Court of Appeals (Appendix ("App."), *infra*, 1a-11a) is unreported. It is noted at 216 F.3d 1075. The opinion of the District Court (App., *infra*, 23a-29a) is unreported.

JURISDICTION

The judgment of the Court of Appeals was entered on May 24, 2000. App., *infra*, 1a. The Court of Appeals denied a timely petition for rehearing on July 11, 2000. App, *infra*, 21a-22a. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

STATUTORY PROVISIONS INVOLVED

Section 7(b) of the Lanham Act, 15 U.S.C. § 1057(b), provides:

> **Certificate as prime facie evidence**
>
> A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods

or services specified in the certificate, subject to any conditions or limitations stated in the certificate.

Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1), provides in relevant part:

> Any person who shall, without the consent of the registrant –
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive ...
>
> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

Section 33(a) of the Lanham Act, 15 U.S.C. § 1115(a), provides in relevant part:

> **Evidentiary value; defenses**
>
> Any registration . . . of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to

> use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered.

STATEMENT

1. Petitioner Express Services, Inc., provides personnel services through a nationwide network of franchisees. Founded in Oklahoma City in 1983, Express began with 13 offices and a first-year gross revenue of $12 million, but it grew rapidly thereafter, until by the late 1990s Express operated over 300 franchised locations, employed more than 200,000 people per year, and earned nearly $1 billion in annual revenue. A crucial part of Express's success has been its reliance on a family of service marks that permit customers easily to identify the source of the services Express provides. At each step along the way, Express was accordingly careful to register its service marks with the United States Patent and Trademark Office (PTO). The PTO has placed each of Express's marks on the Principal Register, including EXPRESS, EXPRESS & Design, SEARCH EXPRESS, EXPRESS PERSONNEL SERVICES & Design, EXPRESS HEALTH SERVICE & Design, EXPRESS STAFFING SERVICES & Design, and EXPRESS TEMPORARY SERVICES & Design (copies of the federal registrations for EXPRESS and EXPRESS PERSONNEL SERVICES & Design are attached hereto at App., *infra*, 45a). Express was also careful to enforce its rights in its

marks, by sending cease and desist letters to unauthorized users, by opposing applications to the PTO from applicants seeking to register similar names, and when necessary by litigating. Express has successfully compelled competitors to cease using a wide variety of similar names, such as "Secretary Express," "Personnel Express," and "Express Temps."

To expand its network of franchises, Express invested heavily in publicizing the marks. It highlighted the marks in the advertisements it purchased in publications like the *Wall Street Journal* and the magazines *Success* and *Entrepreneur*. It promoted its marks at industry trade shows. Between 1993 and 1996, Express and its franchisees spent more than $16 million in advertising and promotion, all of which prominently displayed Express's registered marks.

In 1996, when the events giving rise to this lawsuit took place, Express had several franchises in southeastern Pennsylvania, including some in Philadelphia and the surrounding metropolitan area. In January 1996, Express learned that respondent Tammy Ford was operating a competing personnel services business under the name "Careers Express" (a copy of respondents' mark is attached hereto at App., *infra*, 46a). Ford's business was located in King of Prussia, Pennsylvania, within the Philadelphia metropolitan area, and thus competed directly with Express's franchisees in Philadelphia and Media, Pennsylvania. Ford owned no service mark registration for "Careers Express." She first used the name in 1994, long after Express had used and registered its marks. Indeed, there is no dispute that Ford actually *knew* of the federal registrations for Express's marks before she opened her business.

Express immediately contacted Ford to demand that she cease doing business under the name Careers Express. After Ford repeatedly refused, Express filed this suit.

2. Express filed suit against Ford and Careers Express in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleged that the defendants infringed all of Express's registered marks, in violation of section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1), other provisions of the Lanham Act, and Pennsylvania state law. After a bench trial, the District Court decided in favor of the defendants (App., *infra*, 39a-41a).

The District Court began by explaining that a party establishes trademark infringement under the Lanham Act by showing that the mark is valid and legally entitled to protection, that it is owned by the plaintiff, and that the defendants' use of the mark is likely to confuse customers (App., *infra*, 34a). There was no dispute as to Express's ownership of its marks or their entitlement to protection, so the District Court focused its attention on whether Ford's use of the name "Careers Express" would be likely to confuse customers (App., *infra*, 35a). The court assessed the likelihood of confusion under the ten-factor test in use in the Third Circuit. In the court's evaluation, some factors favored Express, others favored Ford, and others were neutral, but the key factor in the court's view was the second – "[t]he strength of the owner's mark" (App., *infra*, 38a). As to this factor, the court concluded that

> 14. Both "express" and "services" are generic descriptive terms. Even the use of the words together, i.e. "Express Services" does not connote any specific secondary meaning.

> The court takes judicial notice that many companies use one or both of these words in their names to describe, for example, the speediness of their work, or that they perform services rather than sell goods.
>
> 15. The commonality of the words "express" and "service" lead the court to conclude that the plaintiff's marks are weak and entitled to limited protection (App., *infra*, 38a).

The District Court accordingly concluded that Express had failed to show a likelihood that customers would be confused by Ford's use of the name "Careers Express" for a competing firm (App., *infra*, 39a).

The Court of Appeals for the Third Circuit reversed and remanded, on the ground that the District Court's characterization of Express's marks was clear error. *Express Services, Inc. v. Careers Express Staffing Services*, 176 F.3d 183 (CA3 1999). The Court of Appeals noted that trademarks may be classified into four categories of distinctiveness. Arranged from most distinctive to least distinctive, these are: (1) arbitrary or fanciful terms, which bear no logical relation to the characteristics of the underlying good or service; (2) suggestive terms, which suggest rather than describe those characteristics; (3) descriptive terms, which describe a characteristic of the good or service to which they refer; and (4) generic terms, which function as the common name of a product class (App., *infra*, 16a-17a). The Court of Appeals observed that a generic term, the weakest of the four, is not entitled to trademark protection, while a descriptive term is entitled to protection only if it has acquired "secondary

meaning," that is, only where customers identify the term as an indicator of the source of the underlying product rather than a description of the product itself (App., *infra*, 16a-17a). The Court of Appeals found that the District Court's characterization of Express's marks as "generic descriptive" was clear error, because "generic" and "descriptive" are separate categories of distinctiveness with different consequences for protection (App., *infra*, 17a-18a). "In fact," the Court of Appeals continued, "we believe it is questionable that the Express marks fall within either the descriptive or the generic category" (App., *infra*, 17a). Instead, the Court of Appeals concluded, the EXPRESS marks were likely to be suggestive, finding that no dictionary definition of "express" "applies to the provision of employment agency services without interposing considerable imagination or modification." (App., *infra*, 18a). The word "express" might be descriptive of speed as applied to travel, the court observed, but to apply the word to personnel services "requires an imaginative leap that may be large enough to transform 'express' from descriptive to . . . suggestive." (App., *infra*, 18a).

On remand, the District Court once again found in favor of Ford and Careers Express, for the same reason as in its first opinion, but with a more elaborate discussion of the distinctiveness of the EXPRESS marks. Throughout its opinion, the District Court placed the burden of proving the marks' distinctiveness squarely on Express. The court found that Express had not sustained the burden of showing that the marks were suggestive rather than merely descriptive. "The plaintiff has failed to show," the District Court held, "that any imagination, thought or perception is needed to establish a connection between the term 'express' and the plaintiff's business." (App, *infra*, 27a). Descriptive marks may be

found distinctive if they have acquired secondary meaning, but the District Court determined that Express had not sustained the burden of proving secondary meaning either. "In order for the plaintiff to prevail," the court explained, "Express must establish that the consuming public associates the term 'express' with the plaintiff's business" (App., *infra*, 27a). After discussing the evidence, the court concluded that "there was no evidence produced by the plaintiff to establish that the term 'express' as a modifier of the term 'services' or 'personnel services' produces in the minds of the consuming public a connection with this specific provider of employment services" (App., *infra*, 27a). The District Court concluded, for the second time, that Express could not establish a likelihood of customer confusion (App., *infra*, 28a).

On appeal once again to the Court of Appeals for the Third Circuit, Express argued that the District Court had erred by assigning it the burden of proving that the marks were distinctive; i.e., that the marks were more than merely descriptive, or if descriptive that they had acquired secondary meaning. Express noted that its marks had all been accepted by the PTO for placement on the Principal Register. Express pointed out that under section 33(a) of the Lanham Act, 15 U.S.C. § 1115(a), such registration "shall be prima facie evidence of the validity of the mark . . . and of the registrant's exclusive right to use the registered mark in commerce." Express quoted from the leading treatise on trademark law to argue that "[t]he vast majority of courts have interpreted this section to mean that plaintiff in litigation is entitled to a strong prima facie presumption that its registered mark is either not 'merely descriptive' or if descriptive, that secondary meaning is presumed, which amounts to the same thing." 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 11.43, at

11-74 (4th ed. 1996-2000). Express accordingly contended that it deserved the benefit of this presumption that its marks were more than merely descriptive, and that the presumption had the effect of shifting the burden of proof as to the marks' distinctiveness to the defendants. Because its marks had been accepted for registration, Express argued, the *defendants* bore the burden of proving that the marks were *not* distinctive.

The Court of Appeals rejected Express's argument that registration of its marks shifted the burden of proof as to their distinctiveness. "[T]he presumption of validity given by" 15 U.S.C. § 1115(a), the Court of Appeals held, "is not conclusive [sic] of the strength of the mark for purposes of determining likelihood of confusion" (App., *infra*, 8a). The Court of Appeals agreed with the District Court that the burden of proving the marks' distinctiveness was properly assigned to Express. The Court of Appeals affirmed the District Court's finding that Express's marks were merely descriptive (App., *infra*, 8a-9a). The Court of Appeals then concluded that "the District Court's finding that Express Services has failed to demonstrate that the mark EXPRESS has acquired secondary meaning was not clearly erroneous" (App., *infra*, 9a). The Court of Appeals accordingly affirmed the judgment of the District Court.

REASONS FOR GRANTING THE PETITION

This case involves a 6-3 circuit split on an issue that goes to the heart of our system of trademark registration. Once a mark has been accepted by the PTO for placement on the Principal Register, does the burden of persuasion as to the mark's distinctiveness in an infringement suit shift to the alleged infringer? Six Courts of Appeals hold that it does; three hold that it does not. This Court has never squarely

addressed the issue. The question arises in every single lawsuit alleging infringement of a contestable mark. It is of paramount importance to anyone who holds a trademark or might hold one in the future, because its resolution will profoundly affect the value of having one's mark registered with the PTO. Does the fact of registration provide protection against infringement? Or is the holder of a registered mark put to as much proof, when prosecuting a suit for infringement, as the holder of an *unregistered* mark? That is the issue presented in this case.[1]

The Lanham Act protects only "distinctive" marks—marks that distinguish the user's goods or services from those of others. Marks are conventionally divided into five categories of distinctiveness. Marks in the three most distinctive categories, those that are "arbitrary," "fanciful," or "suggestive," are deemed inherently distinctive. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 120 S. Ct. 1339, 1343 (2000). Marks in the fourth-most distinctive category, those that are "descriptive," are not inherently distinctive. They can become distinctive, however, when they acquire "secondary meaning," that is, when "in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844,

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[1] Strictly speaking, the marks at issue in this case are service marks rather than trademarks, because they identify the source of a service rather than a good, but trademarks and service marks are treated identically under the Lanham Act. 15 U.S.C. § 1053; *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 191 n.1 (1985). This petition accordingly uses the word "trademarks" to include service marks as well.

851 n.11 (1982). The least distinctive category of marks, those that are "generic," are not distinctive and can never become so, and are accordingly ineligible for protection. A mark is thus capable of being protected under the Lanham Act only if it either (1) is inherently distinctive, or (2) has acquired distinctiveness through secondary meaning. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768-69 (1992).

A trademark need not be registered to be protected under the Lanham Act. The purpose of registration under the Lanham Act is rather to provide additional protection to the user of a mark, beyond that available simply from use. The PTO employs specialized attorneys who closely scrutinize applications for registration. Registration will be denied, among other reasons, where a mark is merely descriptive of the underlying product, 15 U.S.C. § 1052(e), unless the PTO finds that the mark has become "distinctive of the applicant's goods in commerce," 15 U.S.C. § 1052(f) - i.e., that it has acquired secondary meaning. Any person who believes he would be damaged by the registration of a mark has the opportunity to object. 15 U.S.C. § 1063. The registration of a trademark is thus no mere ministerial act. *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 202 (1985). It represents the considered judgment of a specialized administrative agency, after all affected parties have been given an opportunity to be heard, that the applicant's mark is more than merely descriptive – in other words, that it is a distinctive mark.

When the owner of a trademark brings suit for infringement, the mark's distinctiveness is a crucial issue, for two reasons. First, to bring an infringement suit the plaintiff must hold a protected trademark. 15 U.S.C. §§ 1114(1),

1125(a). If the plaintiff's mark is not distinctive, he will not be able to establish this element of his case. Second, the plaintiff must prove that the defendant's actions are "likely to cause confusion" among customers. 15 U.S.C. §§ 1114(1), 1125(a). The Courts of Appeals have developed a variety of multi-factor tests to help assess the likelihood of confusion, but one factor common among the tests is the degree of distinctiveness of the trademark. 3 McCarthy, *supra*, § 23.19.[2] Whether a trademark is distinctive, and if so how

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[2] In almost all Circuits, including the Third, this factor is often referred to as the "strength" of a mark rather than the mark's "distinctiveness." *See, e.g., Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (CA3 1983). The difference is immaterial to this case. Some courts use "strength" and "distinctiveness" as synonyms. 2 McCarthy, *supra*, § 11:75 at 11-139 (quoting *McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126 (CA2 1979)). For other courts, "strength" is a function of two considerations: (1) the mark's distinctiveness (i.e., its classification as arbitrary, fanciful, suggestive, descriptive, or generic), and (2) the mark's real-world commercial recognition. 2 McCarthy, *supra*, § 11:83 at 11-149 (and cases cited therein). Either way, a mark's classification on the distinctiveness scale is a key factor in assessing the likelihood of confusion, and thus a crucial issue in a suit for infringement. *See Express Services*, App., *infra*, 19a ("The District Court's erroneous classification of Express's marks impacted its determination of the mark's strength.") (citing *Banff, Ltd. v. Federated Dep't Stores, Inc.*, 841 F.2d 486, 491 (CA2 1988)); and 5a (noting that classification errors are not harmless "because of the significance classification has in determining the strength of a mark and, ultimately, in determining whether there is a likelihood of confusion.").

distinctive it is, are thus issues that arise in every suit for trademark infringement.

Under the Lanham Act, "registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark." 15 U.S.C. § 1057(b); *see* 15 U.S.C. § 1115(a) (containing virtually identical language). A mark lacks validity unless it is distinctive, so the Lanham Act provides registered marks with a presumption of distinctiveness. The Courts of Appeals are divided, however, over the precise effect of this presumption.

I. THE DECISION BELOW EXACERBATES A 6-3 CONFLICT AMONG THE COURTS OF APPEALS.

Six Courts of Appeals hold that the presumption of distinctiveness shifts the burden of *persuasion* to the defendant. In infringement suits in these circuits, when the plaintiff owns a mark that has been accepted for placement on the Principal Register, it no longer bears the burden of proving that the mark is distinctive. The fact of registration shifts that burden to the defendant, who must prove that the mark is *not* distinctive.

These six Courts of Appeals are:

1) **The First Circuit.** *Equine Technologies, Inc. v. Equitechnology, Inc.*, 68 F.3d 542, 544 (CA1 1995) ("because plaintiff's mark has been registered by the PTO on the Principal Register, it is entitled to a legal presumption of validity"); *id.* at 545 ("Section 1115(a) entitles the plaintiff to a presumption that its registered trademark is inherently distinctive, as opposed to merely descriptive"); *id.* at 546

(affirming the District Court's finding that "Defendant failed to overcome the presumption of validity attached to registered marks").

2) **The Second Circuit.** *Arrow Fastener Co., Inc. v. The Stanley Works*, 59 F.3d 384, 393 (CA2 1995) ("The USPTO's decision to register the mark . . . creates a rebuttable presumption that the mark enjoys secondary meaning," and that presumption was not rebutted where the court was not "left with the definite and firm conviction that a mistake [was] committed") (internal quotation marks omitted). *See also Papercutter, Inc. v. Fay's Drug Co., Inc.*, 900 F.2d 558, 563 (CA2 1990) (observing that "the decision of the Patent and Trademark Office to register a mark without requiring proof of secondary meaning affords a rebuttable presumption that the mark is more than merely descriptive," and holding that the defendant may rebut this presumption only "by a preponderance of the evidence"). The Second Circuit has long held that "'[w]here it can be argued with equal force that a mark is descriptive and on the contrary that it is arbitrary and fanciful, the courts should not overrule the Patent Office to whose care Congress has entrusted the preliminary determination as to whether a mark fulfills the requirements of the statute.'" *American Home Products Corp. v. Johnson Chemical Co., Inc.*, 589 F.2d 103, 106 n.2 (CA2 1978) (quoting *Aluminum Fabricating Co. of Pittsburgh v. Season-All Window Corp.*, 259 F.2d 314, 316 (CA2 1958)).

3) **The Fourth Circuit.** *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1534 (CA4 1984) ("The Trademark Office granted plaintiff's mark registration without requiring proof of secondary meaning. Such action on the Office's part was a determination that plaintiff's mark was suggestive and

not descriptive. . . . Of course, this determination is not conclusive but it does give presumptive validity to the right of plaintiff to have its mark registered as suggestive and shifted the burden of proving the contrary to the defendant."). *See also RFE Industries, Inc. v. SPM Corp.*, 105 F.3d 923, 926 (CA4 1997), cert. denied, 521 U.S. 1120 (1997) (where PTO has registered mark, "the PTO's taking of such an action is powerful evidence that the registered mark is suggestive and not merely descriptive," and the District Court "should not freely substitute its opinion for the PTO's").

4) **The Sixth Circuit.** *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1190 (CA6 1988) (registration means that the PTO "considered these terms and found them to be sufficiently strong to be registered. Therefore, unless defendant can introduce evidence to rebut the presumption of the marks' validity, we will accept the conclusion of the agency which is entrusted with the duty of administering the Lanham Act, and which is undoubtedly expert in these matters." Defendant's attempt to show the mark is merely descriptive fails "to meet this burden.").

5) **The Eighth Circuit.** *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 873 (CA8 1994) (acknowledging "an important difference ... between registered trademarks and unregistered marks or dress[, in that] [u]nder Sections 7(b) and 33(a) of the Lanham Act, registered marks are entitled to certain presumptions" and holding that defendant "successfully rebutted any presumption of distinctiveness by showing that the evidence submitted to the PTO was inadequate to support a finding of distinctiveness").

6) **The Ninth Circuit.** *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (CA9 1992) (finding

that "registered trademarks are presumed to be distinctive and should be afforded the utmost protection"; that consequently "registration [of a descriptive mark] carries a presumption of secondary meaning [such that Defendant] had the burden to prove that secondary meaning had not attached" and holding that "the district court gave insufficient weight to the presumptive effect of [plaintiff's] federal registration ....").

Three Courts of Appeals, on the other side of the split, hold that the presumption of distinctiveness does *not* shift the burden of persuasion to the defendant.

Two of the three, the **Fifth** and **Seventh** Circuits, hold that the presumption shifts only a burden of *production* to the defendant. In infringement suits in these circuits, the presumption of distinctiveness provided to registered marks by the Lanham Act vanishes once the defendant has introduced any evidence that the mark is not distinctive. The burden of proving that a registered mark is distinctive remains with the plaintiff. *Igloo Products Corp. v. Brantex, Inc.*, 202 F.3d 814, 819 (CA5 2000) ("even if [plaintiff] were entitled to the presumption of secondary meaning, the burden of *persuasion* on the question of secondary meaning would not have shifted to [defendant]; instead, merely a burden of *production* would have arisen in [defendant]"); *Door Systems, Inc. v. Pro-Line Door Systems, Inc.*, 83 F.3d 169, 172 (CA7 1996) (Posner, C.J.) ("The presumption of validity that federal registration confers . . . evaporates as soon as evidence of invalidity is presented. . . . Its only function is to incite such evidence, and when the function has been performed the presumption drops out of the case."). *See also Liquid Controls Corp. v. Liquid Control Corp.*, 802 F.2d 934, 938 (CA7 1986) ("Plaintiff refers to its trademark registration. Defendant has, however, introduced enough

evidence of the genericness of the term 'liquid controls' to 'burst' the presumption created by section 1115(a)."); *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375, 379 (CA7 1984) ("the registration of a trademark does not confer upon that mark a presumption of nondescriptiveness").

In the **Third Circuit**, the Lanham Act's presumption of distinctiveness does not shift any burden, not even the burden of production, to the defendant. *Commerce National Insurance Services, Inc. v. Commerce Insurance Agency, Inc.*, 214 F.3d 432, 443 (CA3 2000) ("to demonstrate that the [registered] mark is valid and legally protectable, [plaintiff] must demonstrate that it had established secondary meaning"). In *Express Services*, moreover, the Court of Appeals affirmed the district court's holding that "[t]he plaintiff failed to show that any imagination, thought or perception is needed to establish a connection between 'express' and the plaintiff's business" and that "Express Services has failed to demonstrate that the mark EXPRESS has acquired secondary meaning ...." (App., *infra*, 9a). The Third Circuit is the only one in which the presumption of distinctiveness has no effect whatsoever in an infringement suit.

The Courts of Appeals are thus divided six to three on whether the fact that a trademark has been registered shifts to the defendant the burden of proof as to the trademark's distinctiveness. The conflict cannot be resolved without this Court's intervention.

II. THE DECISION BELOW IS INCONSISTENT WITH *PARK 'N FLY, INC. V. DOLLAR PARK AND FLY, INC.*, 469 U.S. 189 (1985).

This Court has never addressed this issue directly, but it has strongly suggested that the correct view is that of the majority of the Courts of Appeals. *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985), involved a related issue – whether an action to enjoin the infringement of an incontestable trademark may be defended on the ground that the mark is merely descriptive. (An incontestable mark is one that has been registered, has been in continuous use for five years from the date of registration, and meets certain other requirements. 15 U.S.C. § 1065.) In the course of answering this question, the Court had occasion to review the Lanham Act's protections for marks that have been registered but have not yet become incontestable. The Court pointed out that in a suit for the infringement of such a mark, section 33(a) of the Lanham Act allows the defendant "to challenge [plaintiff's] mark as merely descriptive." *Park 'n Fly*, 469 U.S. at 196. By speaking of a challenge to the mark's distinctiveness to be mounted by the defendant, rather than an assertion of the mark's distinctiveness to be proved by the plaintiff, the Court strongly implied that the burden of proof as to the distinctiveness of a registered trademark is to be placed on the defendant, not the plaintiff.

This view is surely the correct one. The Lanham Act forbids the PTO from registering marks that are not distinctive, 15 U.S.C. § 1052(e), (f), and then twice provides that in an infringement suit registration "shall be prima facie evidence" of the marks' validity, 15 U.S.C. §§ 1057(b), 1115(a). If the Lanham Act contemplated that the distinctiveness of a registered mark was to be relitigated, from

scratch, in every infringement suit, without any deference to the PTO's determination that the mark is distinctive, what would be the point of requiring the PTO to determine distinctiveness in the first place? If the owner of a registered mark was intended to be put to the same proof of distinctiveness as the owner of an unregistered mark, the registration scheme for trademarks would have resembled that for copyrights, with only the most minimal scrutiny of the mark's eligibility for protection. The Congress that enacted the Lanham Act thus could not have intended for the owners of registered trademarks to bear the burden of proving their marks' distinctiveness in infringement suits, after having already borne that burden before the PTO when they obtained their registrations.

III. THE QUESTION PRESENTED IS EXTREMELY IMPORTANT IN A PRACTICAL SENSE, AFFECTING NOT ONLY THE DECISIVE ISSUE IN ALMOST EVERY TRADEMARK INFRINGEMENT CASE, BUT ALSO THE DECISION TO INCUR OR FOREGO THE EFFORT AND EXPENSE OF SECURING FEDERAL REGISTRATION.

The issue is extraordinarily important, in three senses of the word. First, the issue is of critical importance in nearly every trademark infringement suit filed. The decisive battle in almost all such suits is over how much protection, if any, the plaintiff's mark deserves. This battle inevitably turns on the distinctiveness and strength of the plaintiff's mark. As in most litigation, the allocation of the burden of proof as to a mark's distinctiveness will in virtually all but the starkest cases determine the outcome of that crucial dispute. Indeed, this Court has long recognized that "where the burden of proof lies on a given issue is, of course, rarely without consequence and frequently may be dispositive." *Lavine v.*

Milne, 424 U.S. 577, 585 (1976); *Speiser v. Randall*, 357 U.S. 513, 525 (1958) ("where the burden of proof lies may be decisive of the outcome."). Without this Court's resolution of the circuit conflict on this score, the success or failure of a trademark infringement case will often hinge on the forum in which it is litigated.

Second, the issue is of pressing interest to all present and future holders of trademarks, both registered and unregistered. One of the primary reasons to go to the trouble and expense of registering a trademark is so that one may take advantage of the presumption of distinctiveness in the event one has to file an infringement suit. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 174 (1995) (listing the presumption as one of the benefits of registration); Jane C. Ginsburg et al., *Trademark and Unfair Competition Law* 228 (2d ed. 1996) (listing "[e]videntiary advantages" as one of the main reasons to register a trademark); Jerome Gilson, *Trademark Law and Practice* § 4.01, at 4-2 to 4-4 (1999) ("federal registration is the cornerstone of any program to protect the rights of a trademark owner, both defensively and offensively"; it "gives rise to several important statutory attributes which unregistered marks do not have. . . . The very nature of these rights and the avowed Congressional intent to create substantive rights substantially discredits the view, which derives mainly from prior Acts, that trademark registration gives only procedural advantages and does not add to the scope of substantive common law trademark rights." One of the "attributes of a federal registration" is that it "is admissible as evidence of trademark rights in . . . an action without more.") (citing Lanham Act § 33(a)). The presumption is much more valuable to the owner of the mark if it shifts the burden of persuasion, not just the burden of production or no burden at all. The decision whether or not

to register a mark will thus be profoundly influenced by this Court's resolution of the circuit conflict.

Third, the issue implicates a fundamental question as to the purpose of the registration system instituted by the Lanham Act. Does the system of trademark registration exist just to give notice to the world that a particular person is using a particular mark? Or is registration also intended to serve an evidentiary purpose, to establish (at least until someone can prove to the contrary) that a particular mark is distinctive enough to be protected against infringement? The answer to this question will affect everyone who uses trademarks.

This case is a perfect vehicle for resolving the conflict. The issue was squarely presented to and ruled upon by the Court of Appeals. At this stage there are no additional issues in the case that might prevent this Court from addressing the Question Presented. And should the Court decide, along with the majority of the Courts of Appeals, that registration of a trademark *does* shift to the defendant the burden of proof as to the trademark's distinctiveness, that decision will spell the difference in the outcome of this case. The PTO accepted each of the Express marks for registration without requiring Express to prove that the marks had acquired secondary meaning. The PTO, in other words, found that each of them is inherently distinctive. Had the District Court below properly assigned to respondents the burden of proof as to the marks' distinctiveness, respondents could not have proven the PTO wrong. The District Court's findings of fact (App., *infra*, 31a-34a) include no evidence at all to support a conclusion that Express's marks are not distinctive. In both of its opinions, the District Court supported that conclusion only by pointing to what it perceived as shortcomings in

Express's evidence. Had the burden of proof been on respondents rather than Express, the District Court would have been required to find Express's marks distinctive. That finding, combined with the findings already made by the District Court that Express and Careers Express were direct competitors in the same business in the same geographic area, would have required the District Court to hold respondents liable for trademark infringement.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A

UNREPORTED - NOT PRECEDENTIAL

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

[Filed May 24, 2000]

No. 99-1918

EXPRESS SERVICES, INC.	)
Appellant,	)
	)
v.	)
	)
CAREERS EXPRESS STAFFING	)
SERVICES; TAMMY M. FORD,	)
d/b/a CAREERS EXPRESS	)
STAFFING SERVICES	)
Appellees,	)
	)

On Appeal from the United States District Court
for the Eastern District of Pennsylvania
(D.C. No. 96-cv-07291)
District Judge: Hon. Charles R. Weiner

Before: SLOVITER and MANSMANN, Circuit Judges, and WARD,* District Judge.

MEMORANDUM OPINION

SLOVITER, Circuit Judge.

I.

INTRODUCTION

Express Services, Inc., plaintiff in the District Court, appeals from the judgment of the District Court entered after a bench trial in favor of the defendants, Careers Express Staffing Services and Tammy Ford (collectively "Careers"), doing business as Careers Express, in this action for trademark infringement brought under the Lanham Act, 15 U.S.C. § 1125(a). This is the second time this case has been before us. The District Court had previously entered judgment for defendants and this court reversed and remanded with directions that the District Court reconsider whether there is a likelihood of confusion between the parties' marks. See Express Servs., Inc. v. Careers Express Staffing Servs., 176 F.3d 183 (3rd Cir. 1999) (Express Services I). On remand, the court again found for the defendants. Express Services argues that the District Court erred in finding no likelihood of confusion between the allegedly infringing mark and Express Services' marks.

---

* Hon. Robert J. Ward, United States District Judge for the Southern District of New York, sitting by designation.

II.

BACKGROUND

The underlying facts of the case are largely undisputed. Express Services, a Colorado corporation with its principal place of business in Oklahoma, operates a national franchise network for more than 300 franchisees that provide temporary and permanent employment agency services. Express Services has numerous service marks[2] registered on the principal register of the United States Patent and Trademark Office, including the following:

EXPRESS
EXPRESS with design,
EXPRESS SERVICES TEMPORARY AND PERMANENT PERSONNEL and design
EXPRESS PERSONNEL SERVICE and design
EXPRESS TEMPORARY SERVICE(S) and design
EXPRESS HEALTH SERVICE and design
EXPRESS STAFFING SERVICES and design
SEARCH EXPRESS
EXPRESS TRAVEL SERVICE and design

---

[2] Under the Lanham Act, service marks, which are used to identify the source of services, are entitled to the same legal protection as trademarks, which are used to identify the source of goods. Although technically distinct, the terms are often, used interchangeably. See Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 855 (3d Cir. 1992).

Seven of Express Services' franchisees do business in Pennsylvania. Those franchisees operate under the name EXPRESS PERSONNEL SERVICE, use the mark EXPRESS PERSONNEL SERVICE, and provide "employment agency services." App. at 29, 30.

Careers is operated by Tammy Ford under the name CAREERS EXPRESS in King of Prussia, Pennsylvania. Ford opened her business at that location, her only location, in 1994. It is undisputed that CAREERS EXPRESS and EXPRESS PERSONNEL SERVICE provide similar services to the same market. Careers has not secured either federal or state registration of the CAREERS EXPRESS mark, although it registered the fictitious name CAREERS EXPRESS in Pennsylvania in April 1994.

Ford testified at trial that she worked in the personnel/human resources industry for 12 years and, after having a second child, decided to open her own business. She and her husband came up with the name CAREERS EXPRESS, along with several other options. Her husband worked for the post office at the time and had extensive experience with express mail, so he suggested that they included [sic] the term "Express" in the name. They submitted their options, which included CAREERS EXPRESS, CAREER SERVICES, and EXPRESS CAREERS SERVICES, to an attorney for a trademark search. The attorney provided them an explanation of the results of the search, which included reference to Express Services' registrations, but concluded "I feel that you would encounter difficulty in seeking to register CAREERS EXPRESS, but that you should be able to use it within Pennsylvania and nearby areas without difficulty." App. at 533.

Express Services first became aware of Careers' operations in 1996, and objected at that time to the use of the CAREERS EXPRESS mark. It filed suit in District Court on March 10, 1997, alleging, inter alia that use of the name CAREERS EXPRESS infringes its registered marks in violation of the Lanham Act, 15 U.S.C. § 1125(a).

The parties filed cross-motions for summary judgment in the District Court. The court denied those motions by Order dated July 1, 1997 and scheduled the case for trial. At trial, Express Services did not call any witnesses, electing instead to rely on the affidavits submitted with its summary judgment motion. Careers presented live testimony of Tammy Ford and her husband, Mario Ford. It also called several of the executives of Express Services and questioned them about its use of the marks at issue.

On October 22, 1997, the District Court issued findings of fact and conclusions of law and entered judgment in favor of Careers. See Express Servs., Inc., v. Careers Express Staffing Servs., 1997 WL 688814 (E.D. Pa. 1997). Express moved for reconsideration or, in the alternative, for a new trial. The District Court denied the motion on December 17, 1997, and Express Services filed a timely appeal.

As we noted earlier, this court reversed. We held that the District Court's finding that "express" and "services" are generic descriptive terms," was clear error and that the error was not harmless because of the significance classification has in determining the strength of a mark and, ultimately, in determining whether there is a likelihood of confusion. Express Services I, 176 F.3d at 186. We remanded so that

the District Court could reconsider whether there was a likelihood of confusion between the parties' marks.

On remand, the District Court permitted both parties to submit post-remand memoranda. After consideration of those memoranda, the District Court, adopting its prior findings of fact, found the term "express" to be descriptive rather than arbitrary or suggestive. It also found that Express Services had failed to provide evidence that the term "express" had acquired secondary meaning. Based on these findings, the court determined that "the strength of plaintiffs mark is limited to the category of descriptive, with no secondary meaning having been established," and concluded that "plaintiff has failed to demonstrate a likelihood of confusion between the parties' marks." Express Servs., Inc. v. Careers Express Staffing Servs., No. 96-CV-7291, slip op. at 6 (E.D. Pa. Nov. 4, 1999) (hereafter "slip op."). Express Services timely appealed.

We have jurisdiction pursuant to 28 U.S.C. § 1291. The District Court's factual findings, including its finding that there was no likelihood of confusion, are reviewed for clear error; its legal conclusions are reviewed de novo. See A & H Sportswear Inc. v. Victoria's Secret Stores, Inc., 166 F.3d 191, 194 (3d Cir. 1999); see also Express Services I, 176 F.3d at 185.

III.

DISCUSSION

In order to establish infringement of a trademark, the trademark owner must prove that "'(1) the mark is valid and

legally protectable; (2) the mark is owned by the plaintiff; and (3) the defendant's use of the mark to identify goods or services is likely to create confusion concerning the origins of the goods or services.'" See Express Services I, 176 F.3d at 185 (quoting Fisons Horticulture, Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 472 (3rd Cir. 1994)). As we explained in our prior opinion in this case, this court has recognized four different categories of terms with respect to the protection of a mark:

> arbitrary (or fanciful) terms, which bear "no logical or suggestive relation to the actual characteristics of the goods;" suggestive terms, which suggest rather than describe the characteristics of the goods; descriptive terms, which describe a characteristic or ingredient of the article to which it refers[;] and generic terms, which function as the common descriptive name of a product class.

A.J. Canfield. Co. v. Honickman, 808 F.2d 291, 296 (3d Cir. 1986) (citation omitted). The categories directly affect a mark's eligibility for protection under the Lanham Act. If a term is arbitrary or suggestive, it is valid and legally protectable; if it is descriptive, it is entitled to trademark protection only if it has acquired secondary meaning; if it is generic, it is not entitled to trademark protection. The categories also affect the determination of whether there is a likelihood of confusion, for the classification of the mark is useful in determining the mark's strength in the relevant market. See Banff Ltd. v. Federated Dep't Stores, Inc., 841 F.2d 486, 491(2d Cir. 1988).

Express Services asserts that Careers' use of the mark CAREERS EXPRESS infringes all of the "Express Marks" by using the term "express" in conjunction with temporary employment agency services. Appellant's Br. at-9-10. It argues that it was error for the District Court to have categorized the term "express" as descriptive and that the court failed to apply the presumption of validity that is created when a mark has been federally registered. It relies on the section of the Lanham Act, 15 U.S.C. § 1115(a), that provides that a mark registered on the principal register "shall be prima facie evidence of the validity of the registered mark." However; the presumption of validity given by that section is not conclusive of the strength of the mark for purposes of determining likelihood of confusion. See Petro Stopping. Ctrs., L.P. v. James River Petroleum. Inc., 130 F.3d 88, 92-94 (4th Cir, 1997); see also Munters Corp. v. Matsui Am., Inc., 909 F.2d 250, 252 (7th Cir. 1990) (holding that strength of mark analysis in determining likelihood of confusion includes discussion of whether the mark is merely descriptive even if the defendant cannot challenge the validity of the mark).

We cannot term clearly erroneous the District Court's finding that the term "express" is descriptive as used by plaintiff in conjunction with a word that refers to the services provided. As the District Court stated, "[t]he term . . . describe[s] a specific quality and characteristic of the employment services provided." Slip op. at 5. We agree. It imparts the idea, for example, that EXPRESS PERSONNEL SERVICES provides temporary employment agency services quickly. See, e.g., Platinum Home Mortgage Corp. v. Platinum Fin. Group, Inc., 149 F.3d 722, 727-28 (7th Cir. 1998) (upholding district court's determination that

"platinum" is a weak mark because it is a "self-laudatory term" that "describes the quality of . . . mortgage services").

Moreover; the District Court's finding that Express Services has failed to demonstrate that the mark EXPRESS has acquired secondary meaning was not clearly erroneous. See, e.g., Arrow Fastener Co., Inc. v. Stanley Works, 59 F.3d 384, 394 (2d Cir. 1995) (holding that plaintiff had not established that protection afforded to stapler model number T-50 extended to a number of products in which the letter "T" and the number "50" were used). In its attempt to show secondary meaning, Express Services presented affidavits that state that Express Services operates a franchise system with approximately 320 franchise locations; that it has been operating the franchise system since 1983, when the first franchise was established; that Express Services spent approximately $800,000 to promote its franchise network; and that its franchisees spent nearly $15.5 million in their franchised territories to advertise and promote the particular franchise services. Although this spending may have contributed to a showing of recognition of the individual composite marks, it was not enough to establish that the consumer [sic] public recognizes or identifies the EXPRESS mark as connoting a common origin.

Nor are we persuaded by Express Services' assertion that because the term "express" is the dominant portion of both its various marks and the CAREERS EXPRESS mark, "this case boils down to whether EXPRESS is likely to be confused with EXPRESS. " Appellant's Br. at 25. The case on which Express Services relies for this proposition, Country Floors, Inc. v. Partnership Composed of Gepner and Ford, 930 F.2d 1056, 1065 (3d Cir. 1991), involved an allegation

that defendant's use of the mark COUNTRY TILES in the same market and same region as plaintiff used its mark infringed on plaintiffs mark COUNTRY FLOORS. The court, in dicta, stated that "[w]hen comparing two marks each must be viewed in its entirety, although 'one feature of a mark may be more significant than other features, and it is proper to give greater force and effect to that dominant feature.'" Id. (quoting Giant Food, Inc. v. Nation's Foodservice, Inc., 710 F.2d 1565, 1570 (Fed. Cir. 1983)). Although we agree with this principle, we do not agree that it is applicable here. Unlike the plaintiff in Country Floors, Express Services does not allege confusion between one of its marks and CAREERS EXPRESS in a particular regional market. Moreover, given the descriptive nature of the term "express" as used by Express Services and the lack of evidence that the consuming public identifies its marks as deriving from a common origin, we do not agree with plaintiff that "express" is the dominant feature of its marks such that confusion is likely. We see no clear error in the District Court's determination that Express Services failed to demonstrate the likelihood of confusion required to establish infringement in this case.

IV.

CONCLUSION

For the reasons stated, we will affirm the judgment of the District Court.

TO THE CLERK:

Please file the foregoing opinion
/s/_____
Dolores K. Sloviter
Circuit Judge

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

[Filed May 10, 1999]

No. 98-1013

EXPRESS SERVICES, INC.	)
Appellant,	)
	)
v.	)
	)
CAREERS EXPRESS STAFFING	)
SERVICES; TAMMY M. FORD,	)
d/b/a CAREERS EXPRESS	)
STAFFING SERVICES	)
Appellees,	)
	)

On Appeal from the United States District Court
for the Eastern District of Pennsylvania
(D.C. No. 96-cv-07291)
District Judge: Honorable Charles R. Weiner

Submitted Pursuant to Third Circuit LAR 34.1(a)
Originally Submitted September 18, 1998
Held c.a.v.
Resubmitted April 23, 1999

Before: SLOVITER, SCIRICA and ALITO, *Circuit Judges*

OPINION OF THE COURT

SLOVITER, *Circuit Judge.*

Express Services, Inc. ("Express") appeals from the order of the District Court granting judgment following a bench trial to Careers Express Staffing Services and Tammy M. Ford d/b/a Careers Express (collectively, "Careers Express").

I.

Both Express and Careers Express provide temporary and permanent employment agency services to secretaries and clerical workers in Chester, Montgomery, Delaware, Bucks, and Philadelphia counties.

Express, which operates in Pennsylvania primarily under the name EXPRESS PERSONNEL SERVICE, owns a series of trademarks and service marks, including *inter alia* EXPRESS, EXPRESS and Design, EXPRESS PERSONNEL SERVICE and Design, EXPRESS TEMPORARY SERVICE and Design, and EXPRESS STAFFING SERVICES and Design. (The denomination "and Design" signifies that the preceding words are accompanied by a figure that depicts a person walking.) The Express marks have all been registered federally, and the mark EXPRESS PERSONNEL SERVICE and Design was registered with the state of Pennsylvania on or about June 15, 1990.

Careers Express operates in Pennsylvania under the mark CAREERS EXPRESS. It owns neither a federal registration nor a Pennsylvania state registration for that

mark, which it first used in commerce on April 4, 1994, although it registered the fictitious name CAREERS EXPRESS in Pennsylvania in April 1994. The parties have stipulated that they "use their respective marks in the same or similar channels of trade" and provide services to "the same classes of customers."

Careers Express first learned of the existence of Express's marks in or around 1994, when it commissioned a trademark availability study. Based on the results of this study, Careers Express's counsel advised it that use of the CAREERS EXPRESS mark probably would be permissible, the marks of Express notwithstanding.

Express first became aware of Careers Express's operations in 1996. It objected to the CAREERS EXPRESS mark on February 12, 1996. On March 10, 1997, it brought suit in federal court. Express claims that use of the name CAREERS EXPRESS infringes its trademarks and service marks.

Careers Express responded by moving for summary judgment on March 19, 1997. The next day, Express moved for summary judgment, based in part on a series of affidavits. The District Court denied both motions by Order dated July 1, 1997 and scheduled the case for trial on September 17, 1997. At trial, Express did not call any witnesses, electing instead to rely on its affidavits. Careers Express elicited the testimony of its own witnesses, as well as that of several of the individuals whose affidavits Express had submitted.

The District Court entered judgment for Careers Express on October 22, 1997. The same day, Express moved

for reconsideration, or in the alternative for a new trial. Express also sought to supplement the record with several new affidavits, which addressed the advertising practices of its franchisees. The District Court denied these motions on December 17, 1997, and Express filed a timely appeal.

We have Jurisdiction under 28 U.S.C. § 1291. Our review of the District Court's conclusions of law is plenary. *See Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F. 3d 1431, 1438 (3d Cir. 1994). We review the factual determination whether there is a likelihood of confusion for clear error. *See Versa Prods. Co. v. Bifold Co.*, 50 F.3d 189, 200 (3d Cir. 1995). "Clear error exists when, giving all deference to the opportunity of the trial judge to evaluate the credibility of witnesses and to weigh the evidence, we are 'left with a definite and firm conviction that a mistake has been committed.'" *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 166 F. 3d 191, 194 (3d Cir. 1999) (quoting *Anderson v. Bessemer City*, 470 U.S. 564, 573 (1985)).

II.

Section 32(1) of the Lanham Act states:

> Any person who shall, without, the consent of the registrant --
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or

> to cause mistake, or to deceive; . . . shall be liable in a civil action by the registrant. . . .

15 U.S.C. § 1114(1).

In order to establish infringement of its trademark, the trademark owner must prove that "(1) the mark is valid and legally protectable; (2) the mark is owned by the plaintiff; and (3) the defendant's use of the mark to identify goods or services is likely to create confusion concerning the origins of the goods or services." *Fisons Horticulture, Inc, v. Vigoro Indus., Inc.*, 30 F. 3d 466, 472 (3d Cir. 1994); *see also A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 166 F.3d 197, 205 (3d. Cir. 1999) (holding that "the appropriate standard for determining trademark infringement under the Lanham Act is the likelihood of confusion"). If a mark is both federally registered and "incontestible," *see* 15 U.S.C. §§ 1058, 1065, the mark is presumed to meet the first two requirements.

Express contends that the District Court erred when it determined that there was no likelihood of confusion between its marks and that of Careers Express. Because we conclude that the District Court improperly characterized the Express marks and because this error may have affected the District Court's likelihood-of-confusion analysis, we will reverse and remand for further proceedings.

A.

This court has recognized that trademark terms may fall within one of four categories:

> arbitrary (or fanciful) terms, which bear "no logical or suggestive relation to the actual characteristics of the goods;" suggestive terms, which suggest rather than describe the characteristics of the goods; descriptive terms, which describe a characteristic or ingredient of the article to which it refers, and generic terms, which function as the common descriptive name of a product class.

A.J. Canfield Co. v. Honickman, 808 F.2d 291, 296 (3d Cir. 1986) (citation omitted).

The District Court found that "'express' and 'services' are generic descriptive terms." As the passage quoted above explains, "generic" and "descriptive" are separate categories. Moreover, these categories, have different implications for trademark analysis. If a term is generic, it is not entitled to trademark protection, whereas a descriptive term may be entitled to some protection if it has acquired a secondary meaning. *See. id.* at 292.

Thus, the District Court's characterization of EXPRESS and SERVICES as generic descriptive was clear error. In fact, we believe it is questionable that the Express marks fall within either the descriptive or the generic category. The record contains no evidence that consumers view express employment agency services as a genus of employment agency services in the way that they might, for example, distinguish temporary employment agency services from permanent employment agency services. Indeed, there is no evidence in the record to suggest that Express's services

differ from the general class of employment agency services "in a significant, functional, characteristic." *See id.* at 293.

For similar reasons, a reasonable factfinder might doubt that the term "express" is descriptive in this context. For example, The *American Heritage College Dictionary* (3d ed. 1993) provides three definitions for the word "express" when used as an adjective,

> 1. Definitely and explicitly stated. 2. Particular; specific. 3.a. Sent out with or moving at high speed. b. Direct, rapid, and usu[ally] nonstop: an *express bus* c. Of, relating to, or appropriate for rapid travel: *express lanes*.

None of these applies to the provision of employment agency services without interposing considerable imagination or modification. The term "express" certainly does connote speed when applied to travel or transport, as the third of the above definitions demonstrates. Applying that term outside of those contexts, however, requires an imaginative leap that may be large enough to transform "express" from descriptive to merely suggestive.

B.

We cannot conclude that the District Court's inappropriate characterization of the Express marks was harmless error. Where, as in this case, goods or services directly compete, "the court need rarely look beyond the mark itself" to determine whether there is a likelihood of confusion. *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 462 (3d Cir.

1983). Therefore, the nature of the marks was, or should have been, the District Court's primary focus.

The District Court's erroneous classification of Express's mark impacted its determination of the mark's strength, *see Banff, Ltd. v. Federated Dep't Stores, Inc.*, 841 F.2d 486, 491 (2d Cir. 1988) ("the category in which the mark qualifies -- generic, descriptive, suggestive, or arbitrary -- is useful in determining its strength"), and therefore affected its decision regarding likelihood of confusion, *see Express Services, Inc. v. Careers Express Staffing Servs.*, No. 96-7291, slip op. at 7-8 (E.D. Pa. Oct. 22, 1997) (listing strength of mark as factor in determining likelihood confusion); *accord* 721 F.2d at 463. Indeed, the District Court explicitly stated that it was "[t]he commonality of the words 'express' and 'service'" that led it "to conclude that plaintiff's marks are weak and entitled to limited protection." *Express Services*, No. 96-7291, slip op. at 9. The characterization of Express's marks as "generic descriptive" thus may have decreased the District Court's willingness to find that Express had met its burden of proving a likelihood of confusion.

We do not suggest that the District Court's conclusion that the plaintiff failed to demonstrate a likelihood of confusion between the marks could not be sustained. The parties stipulated that there was no actual confusion, and the plaintiff introduced nothing but affidavits to attempt to sustain its burden to show likelihood of confusion by a preponderance of the evidence. However, in light of the District Court's improper characterization of these marks, we cannot be certain that the result would have been the same absent the District Court's error.

III.

For the foregoing reasons, we will reverse and remand so that the District Court may reconsider whether there is a likelihood of confusion between the parties' marks. The District Court may, if it believes it necessary, take additional evidence, but we do not require it to do so if it believes the record is adequate.

A True Copy:.
Teste:

Clerk of the United, States Court of Appeals
for the Third Circuit

APPENDIX C

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Filed May 10, 1999]

No. 98-1013

EXPRESS SERVICES, INC.
Appellant,

v.

CAREERS EXPRESS STAFFING SERVICES; TAMMY M. FORD, d/b/a CAREERS EXPRESS STAFFING SERVICES
Appellees,

On Appeal from the United States District Court
for the Eastern District of Pennsylvania
(D.C. No. 96-cv-7291)
District Judge: Honorable Charles R. Weiner

Submitted Pursuant to Third Circuit LAR 34.1(a)
Originally Submitted September 18, 1998
Held c.a.v.
Resubmitted April 23, 1999

Before: SLOVITER, SCIRICA and ALITO, Circuit Judges

JUDGMENT

This cause came on to be heard on the record from the United States District Court for the Eastern District of Pennsylvania and was submitted pursuaut to Third Circuit LAR 34.1(a) on September 18, 1998 and resubmitted on April 23, 1999.

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court entered December 17, 1997, be, and the same is hereby reversed and the cause is remanded to the District Court for it to reconsider whether there is a likelihood of confusion between the parties' marks. Costs taxed against appellees. All of the above in accordance with the opinion of this Court.

ATTEST:

/s/_____
Clerk

Dated: May 10, 1999

APPENDIX D

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

[Filed November 5, 1999]

No. 96-CV-7291

EXPRESS SERVICES, INC.
Plaintiff,

v.

CAREERS EXPRESS STAFFING SERVICES and TAMMY M. FORD d/b/a CAREERS EXPRESS
Defendants.

MEMORANDUM OPINION AND ORDER

Plaintiff, Express Services, Inc. ("Express Services"), brought this suit under the Lanham Act, 15 U.S.C. § 1114(1), 1125(a) and (c), against defendants Careers Express Staffing Services and Tammy M. Ford d/b/a Careers Express (collectively "Careers Express"). Plaintiff alleged claims of common law trademark infringement, tortious interference with contractual relations and violations of Pennsylvania's statutory scheme for the protection of registered marks. Following a bench trial we entered judgment for the

defendant. On appeal, the Court of Appeals reversed the judgment and remanded for reconsideration of whether there was a likelihood of confusion between the parties' marks.[1] Presently before the court are the parties' post-remand memoranda. Neither party has asked the court to reopen the record, and we incorporate by reference our prior findings of fact.

The standard applied in an action for trademark infringement is the likelihood of confusion as regards the origin or source of the services in question that would occur through the continued use by the defendant of its mark. This is determined by viewing the two marks in question as they would appear to the consuming public. American Express, Co. v. Pan American Express, 509 F.Supp. 348, 351 (E.D. Pa. 1981). "Likelihood of confusion exists whenever consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark." Id. at 351.

---

[1] More specifically, due to a typographical error, our prior opinion characterized the plaintiffs mark as "generic descriptive" when we intended that statement to read "generic or descriptive". While the court of appeals may have believed this was a mischaracterization of the plaintiff's mark, rather than harmless error, we did not intend to create some new genus of trademark characterization. Rather we intended to express that plaintiff's mark fell into the lower end of the protection scale.

Inherent in the determination of whether there is a likelihood of confusion between the plaintiff's and the defendant's marks is the characterization of the terms embodied in the parties' marks. In order for the plaintiff to prevail, Express must establish that the consuming public associates the term "express" with the plaintiff's business. As we previously found, the parties' marks are similar in that they both use the term "express." Plaintiff uses "express" in combination with the word "services" and a design. Plaintiff also holds a trademark for "express" and design, and "express" with other terms that modify it, such as "health service," "temporary service," and in this jurisdiction, "personnel services." The defendant modifies "express" by preceding it with the term "careers." Plaintiff contends that the term "express" is an arbitrary or suggestive term causing an association in the minds of the consuming public with the plaintiff's business, entitling it to a high degree of trademark protection. We continue to disagree with this premise.

The four categories courts have adopted to aid in the evaluation of a term's inherent distinctiveness and analysis of the degree of trademark protection afforded are:

> arbitrary (or fanciful) terms, which bear "no logical or suggestive relation to the actual characteristics of the goods;" suggestive terms which suggest rather than describe the characteristics of the goods; descriptive terms, which describe a characteristic or ingredient of the article to which it refers, and genetic terms, which function as the common descriptive name of a class.

Express Services, Inc. v. Careers Express Staffing Services, 176 F.3d 183, 185-186 (3d Cir. 1999), citing, A.J. Canfield Co. v. Honickman, 808 F.3d 291, 296 (3d Cir. 1986). A determination that a term falls into one of these categories has distinct implications on trademark protection of that term. If a term is arbitrary or suggestive, the courts will afford it a high degree of trademark protection. If a term is descriptive, trademark protection is available if the claimant proves that the term itself conveys to consumers a secondary meaning of association with the claimant. If a term is generic, the courts are unwilling to afford the term trademark protection. Express Services at 186.

Express Services contends that the "express" portion of their mark is the dominant portion of the mark, and desires us to make a determination as to the characterization of the term on its own. While we do give greater force and effect to its dominant feature, it is proper to consider the mark as a whole when making a determination as to the characterization of the term and the likelihood of confusion with respect to the mark. Berner Intern. Corp. v. Mars Sales Co., 987 F.2d 975, 981 (3d Cir. 1993); First Keystone Bank v. First Keystone Mortg., 923 F.Supp. 693, 704 (E.D.Pa. 1996).

Express Services contends that the term "express", as it uses it, is arbitrary or, at the very least, suggestive, which would entitle the mark to a high degree of trademark protection. We conclude, however, that "express" describes a characteristic of how the plaintiff provides its employment services. "A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods." Canfield, 808 F.2d at 297. Imagination and modification are not necessary to understand that the term, in

the context of the mark, describes the speed by which the plaintiff provides its services. Thus, we cannot agree that the term falls into the suggestive category. As defined by the courts, "a term is suggestive if it requires imagination, thought or perception to reach a conclusion as to the nature of the goods." Canfield, 808 F.2d at 297. The plaintiff has failed to show that any imagination, thought or perception is needed to establish a connection between the term "express" and the plaintiff's business. There was no evidence adduced at trial to quantify the plaintiff's contention that the term "express" specifically suggested the plaintiff or the plaintiff's business to the consuming public. The term does, however, describe a specific quality and characteristic of the employment services provided. The term communicates the idea that the plaintiff provides its personnel services and career services in an expeditious manner.

The question then becomes whether or not the term "express" has a secondary meaning in the minds of the consuming public.

> Secondary meaning exists when the trademark is interpreted by the consuming public to be not only an identification of the product, but also a representation of the product's origin. . . . Secondary meaning is generally established through extensive advertising which creates in the mind of consumers an association between different products bearing the same mark. This association suggests that the products originate from a single source. . . . Once a trademark which could not otherwise have exclusive appropriation

> achieves secondary meaning, competitors can be prevented from using a similar mark.

Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225, 1228 (3d Cir. 1978) (citations omitted). Unfortunately, there was no evidence produced by the plaintiff to establish that the term "express" as a modifier of the term "services" or "personnel services" produces in the minds of the consuming public a connection with this specific provider of employment services. The record is devoid of any evidence authenticating this sort of connection. Likewise, there was no evidence produced to imply that the term as used by the parties means anything in the minds of the consuming public other than as a descriptive adjective as defined above.

Accordingly, we conclude the strength of plaintiff's mark is limited to the category of descriptive, with no secondary meaning having been established. The balance of the ten factors discussed in Conclusions of Law 11-21 are not challenged on remand and are incorporated by reference. Based on these factors, we are constrained to again conclude that plaintiff has failed to demonstrate a likelihood of confusion between the parties' marks. An appropriate order follows.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

[Filed November 5, 1999]

No. 96-CV-7291

EXPRESS SERVICES, INC.
Plaintiff,

v.

CAREERS EXPRESS STAFFING SERVICES and TAMMY M. FORD d/b/a CAREERS EXPRESS
Defendants.

ORDER

Judgment on the merits is ENTERED in favor of defendants Careers Express Staffing Services and Tammy M. Ford d/b/a Careers Express.

IT IS SO ORDERED.

/s/
CHARLES R. WEINER

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

[Filed October 23, 1997]

No. 96-CV-7291

EXPRESS SERVICES, INC.	)
Plaintiff,	)
	)
v.	)
	)
CAREERS EXPRESS STAFFING	)
SERVICES and TAMMY M.	)
FORD d/b/a CAREERS EXPRESS	)
Defendants.	)
	)

MEMORANDUM OPINION AND ORDER

Plaintiff, Express Services, Inc. (Express), brought this suit under the Lanham Act, 15 U.S.C. § 1114(1), 1125(a) and (c), against defendants Careers Express Staffing Services (Careers) and Tammy Ford. The complaint also alleges claims of common law trademark infringement, tortious interference with contractual relations and violations of Pennsylvania's statutory scheme for the protection of

registered marks. The action was tried to the court. Our findings of fact and conclusions of law follow[1].

FINDINGS OF FACT

1. Express is a Colorado corporation having its principal place of business in Oklahoma City.

2. Careers has its principal place of business in King of Prussia Pennsylvania.

3. Express operates a nationwide franchise system of more than 300 franchises. It provides temporary and permanent employment agency services. Express has franchisees located in Philadelphia and Media, Pennsylvania, which compete with Careers.

4. Plaintiff conducts its business under several trademarks including Express, Express and design, Express Personnel Service and design, Express Temporary Services and design, Express Staffing Services and design, Express Health Service, Search Express and Express Travel Service.

5. Plaintiff has spent substantial sums of money to advertise and promote these marks in connection with its employment agency services. Express has registered these marks with the United States Patent and Trademark Office.

---

[1] In addition to our findings, we adopt the stipulation of facts entered into by the parties.

6. Express' use and registration of these marks predated the defendants use of the name Careers Express Staffing Service.

7. Express notified Careers as early as February 12, 1996 that its use of the name Careers Express Staffing Services was an infringement on the plaintiff's registered marks.

8. Defendants do not own a registration of their mark.

9. Both Express and Careers use their marks in connection with the provision of temporary and permanent employment agency services to the same class of clients, i.e., secretaries and clerical employees.

10. As of the date Careers first used its mark, it was aware of the existence of at least one of Express' marks.

11. Prior to its first use of the Careers Express mark defendants had a trademark availability search conducted by legal counsel. The search report identified the plaintiff's Pennsylvania trademark registration.

12. In an opinion letter, defendants' counsel advised Careers that Express owned marks including the word "Express", generally in combination with a design. He thus recommended the defendants incorporate another word to be used in combination with "express" in their name. It was his opinion that if defendants limit their activities to Pennsylvania they should not encounter any problems with using their mark. He expressly opined that since plaintiff used "express"

in combination with a design, he did not believe the plaintiff's mark "presented an obstacle."

13. Careers registered a fictitious name "Careers Express" with the Pennsylvania Department of State in April 1994.

14. At least six companies have used the services of both Express and Careers.

15. Both plaintiff and defendant have clients in Chester, Montgomery, Delaware, Bucks and Philadelphia Counties.

16. Plaintiff carries on no business under the single name "Express". Rather all its businesses use "Express" in conjunction with some other word or design.

17. Express does business in Pennsylvania exclusively as "Express Personnel Services".

18. Advertising specimens submitted by plaintiff to the Patent and Trademark Office showing only the work "Express" as a mark have never been used in commerce.

19. Express has presented no evidence of actual confusion between its marks and the defendant's mark.

20. Express has presented no evidence of any lost profits as a result of defendant's mark.

21. Express has taken legal action against twenty five companies for trademark infringement. Most of these

disputes have been settled. No court has issued an injunction on the merits of any case prohibiting the use of the Express marks by any other person.

22. There is no evidence that Careers chose its mark to cause confusion with Express' mark. Tammy Ford's husband, a former postal employee, suggested the name. The name was chosen because of its connotation of quick delivery of services to clients and employers.

23. Careers is highly recognized in the community by its name.

24. Careers has never received a misdirected phone call intended for Express.

CONCLUSIONS OF LAW

1. The court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331.

2. Venue is appropriate in this district pursuant to 28 U.S.C. § 1391(b).

3. A party can establish trademark infringement under § 32 of the Lanham Act by showing that (1) its mark is valid and legally entitled to protection; (2) it is owned by the plaintiff, and (3) defendant's use of the mark is likely to confuse consumers. 15 U.S.C. § 1114; Ford Motor Co. v. Summit Motor Prods., 930 F.2d 277, 291 (3d Cir. 1991).

4. 15 U.S.C. § 1125 (a) provides:

> Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol or device, or any combination thereof . . . which
>
> > (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person . . .
> >
> > shall be liable in a civil action. . . .

5. The standards for common law infringement in Pennsylvania are the same as those for violations of § 32 of the Lanham Act. Standard Terry Mills, Inc. v. Shen Mfg. Co., Inc., 803 F.2d 778, 780, n.4, (3d Cir. 1986). Accordingly, discussion of the Lanham Act will likewise address the state law trademark claims.

6. When a plaintiff's mark is registered and has become "incontestable under 15 U.S.C. § 1065, the elements of validity, ownership and entitlement to protection are conclusively proved. Ford Motor Co., 930 F.2d 291.

7. Plaintiff must prove by a preponderance of the evidence that a likelihood of confusion exists between the accused mark and the plaintiff's mark. Total Containment, Inc. v. Environ Products, Inc., 921 F. Supp. 1355, 1407 (E.D.Pa. 1995), citing David Sherman Corp. v. Heublein, Inc., 340 F.2d 377 (8th Cir. 1965).

8. The likelihood of confusion exists when consumers viewing the mark would probably assume that the

product or service it represents is associated with the source of a different product or service identified by a similar mark. Proof of actual confusion is not necessary; the likelihood of confusion is all that need be shown. Id.

9. The showing of proof plaintiff must make depends on whether the goods or services offered by the trademark owner and the alleged infringer are in direct competition. Where they are, the court need rarely look beyond the mark itself to determine whether they are confusingly similar. Id.

10. Plaintiff and defendant are in direct competition for the provision of temporary and permanent employment agency services in the five county metropolitan Philadelphia area.

11. Courts in this circuit use ten factors to determine whether use of a mark is likely to cause confusion. They are:

> 1. The degree of similarity between the owner's mark and the alleged infringing mark;
>
> 2. The strength of the owner's mark;
>
> 3. The price of the services and other factors indicative of the care and attention expected of consumers when making a purchase;
>
> 4. The length of time the defendant has used the mark without evidence of actual confusion;

5. The intent of the defendant in adopting the mark;

6. The evidence of actual confusion;

7. Whether the goods, though not competing, are marketed through the same channels of trade and advertised through the same media;

8. The extent to which the targets of the parties sales efforts are the same;

9. The relationship of the services in the mind of the public because of the similarity of function; and

10. Other factors suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market.

Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983). Not all the factors need be considered when some are dispositive. Freixenet, S.A. v. Admiral Wine and Liquor Co., 731 F.2d 148, 151 (3d Cir.1984).

12. A trademark holder cannot appropriate a generic or descriptive term for its exclusive use and a claim of infringement cannot be based on the use of such genetic or descriptive term. American Cyanamid Corp. v. Connught Laboratories, Inc., 800 F.2d 306, 308 (2d Cir. 1986).

13. The parties' marks are similar in the sense that they both use the same word "express". They are not, however, identical. Defendant's mark emphasizes the word

"careers", which modifies the word "express". It also includes the words "staffing services". Only one of plaintiff's marks uses these words. Plaintiffs marks use "express" with a design, and use other words to modify it, such as "personnel service", "health service", and "temporary service".

14. Both "express" and "services" are generic descriptive terms. Even the use of the words together, i.e. "Express Services" does not connote any specific secondary meaning. The court takes judicial notice that many companies use one or both of these words in their names to describe, for example, the speediness of their work, or that they perform services rather than sell goods.

15. The commonality of the words "express" and "service" lead the court to conclude that the plaintiff's marks are weak and entitled to limited protection.

16. Neither party has adduced evidence on the price of the services they offer. Thus we do not consider whether price is indicative of the care and attention expected of consumers when purchasing these services.

17. Plaintiff presented no proof that there was an intent on defendants' part to confuse consumers when choosing the Careers mark. The name was suggested by Ms. Ford's husband who worked for the post office. "Express" when used by the post office implies speed of delivery of services. "Careers" was chosen to modify "express" since it identified the object of the defendants' service. A trademark search was conducted and defendants were advised that their mark would not infringe the plaintiff's mark.

18. There is no evidence of actual confusion between the parties' marks, and the parties have stipulated that there was no actual confusion.

19. Careers has used its mark for three years without creating evidence of confusion.

20. The parties' services are marketed through the same channels of commerce and advertised through the same media.

21. The targets of the parties' advertising are the same.

22. Based on these factors, the court concludes that the plaintiff has failed to demonstrate by a preponderance of the evidence a likelihood of confusion between the marks. We find that the use of the word "careers" is sufficient to distinguish the two companies' marks in the minds of consumers as representing different entities.

23. Accordingly, we conclude the plaintiff has failed to prove its claims under 15 U.S.C. § 1114(1), 1125(a), 1125(c), its common law trademark claims, and Pennsylvania trademark and unfair competition claims.

24. Plaintiff's Fifth Claim for relief attempts to state a common law claim for tortious interference with contractual relations. In Pennsylvania, that action arises when a person

> intentionally and improperly interferes with the performance of a contract (except a contract to

> marry) between another and a third person by inducing or otherwise causing the third person not to perform the contract. . . .

Yaindl v. Ingersoll-Rand Co., 422 A.2d 611, 618 (Pa. Super. 1981).

25. The contracts allegedly interfered with were plaintiff's existing and prospective franchise agreements. Plaintiff offered no evidence to prove the element of inducing or causing an existing or prospective franchisee not to perform the franchise contract.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

[Filed October 23, 1997]

No. 96-CV-7291

EXPRESS SERVICES, INC.
Plaintiff,

v.

CAREERS EXPRESS STAFFING SERVICES and TAMMY M. FORD d/b/a CAREERS EXPRESS
Defendants.

ORDER

Judgment on the merits is ENTERED in favor of defendants Careers Express Staffing Services and Tammy M. Ford d/b/a/Careers Express.

IT IS SO ORDERED.

/s/_____
Charles R. Weiner

APPENDIX F

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[Dated July 11, 2000]

No. 99-1918

EXPRESS SERVICES, INC.	)
Appellant,	)
	)
v.	)
	)
CAREERS EXPRESS STAFFING	)
SERVICES; TAMMY M. FORD,	)
d/b/a CAREERS EXPRESS	)
STAFFING SERVICES	)
Appellees,	)
	)

SUR PETITION FOR REHEARING

Present: BECKER, Chief Judge, SLOVITER, MANSMANN, GREENBERG, SCIRICA, NYGAARD, ALITO, ROTH, McKEE, RENDELL BARRY, and FUENTES, Circuit Judges, and WARD,* District Judge

* Hon. Robert J. Ward, United States District Judge for the Southern District of New York, sitting by designation, as to

The petition for rehearing filed by Appellant, Express Services, Inc., in the above-entitled case having been submitted to the judges who participated in the decision of this court and to all the other available circuit judges of the circuit in regular active service, and no judge who concurred in the decision having asked for rehearing, and a majority of the circuit judges of the circuit in regular active service not having voted for rehearing by the court en banc, the petition for rehearing is denied.

By the Court,

/s/_____
Circuit Judge

Dated: 11 JUL 2000

---

panel rehearing only.

APPENDIX G

United States Patent and Trademark Office
SERVICE MARK
PRINCIPAL REGISTER

(Fold Out)

Int. Cl.: 35

Prior U.S. Cl.: 101

United States Patent and Trademark Office

Reg. No. 1,647,022

Registered June 4, 1991

SERVICE MARK
PRINCIPAL REGISTER

EXPRESS

EXPRESS SERVICES, INC. (COLORADO CORPORATION)
6300 NORTHWEST EXPRESSWAY
OKLAHOMA CITY, OK 73132

FOR: TEMPORARY HELP AND EMPLOYMENT AGENCY SERVICES, IN CLASS 35 (U.S. CL. 101).

FIRST USE 5-24-1983; IN COMMERCE 5-24-1983.

OWNER OF U.S. REG. NOS. 1,348,486, 1,465,780, AND 1,473,438.

SER. NO. 74-062,187, FILED 5-24-1990.

PRISCILLA MILTON, EXAMINING ATTORNEY

BEST AVAILABLE COPY

SERVICE MARK
EXPRESS SERVICES, INC.

Fold Out

Int. Cl.: 35

Prior U.S. Cl.: 101

Reg. No. 1,708,586

United States Patent and Trademark Office Registered Aug. 18, 1992

SERVICE MARK
PRINCIPAL REGISTER

EXPRESS SERVICES, INC. (COLORADO CORPORATION)
6300 NORTHWEST EXPRESSWAY
OKLAHOMA CITY, OK 73132

FOR: EMPLOYMENT AGENCY SERVICES, IN CLASS 35 (U.S. CL. 101).

FIRST USE 1-1-1985; IN COMMERCE 1-1-1985.

OWNER OF U.S. REG. NOS. 1,348,486, 1,647,022 AND OTHERS.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "PERSONNEL SERVICE", APART FROM THE MARK AS SHOWN.

THE LINING IS A FEATURE OF THE MARK AND IS NOT INTENDED TO INDICATE COLOR.

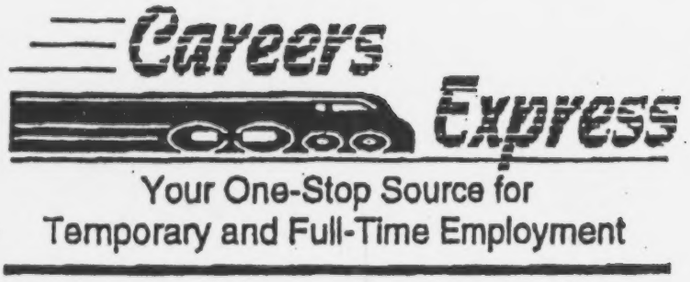
SER. NO. 74-200,176, FILED 9-3-1991.

CHRISTOPHER KELLY, EXAMINING ATTORNEY

APPENDIX H

United States Patent and Trademark Office
SERVICE MARK
CAREERS EXPRESS STAFFING SERVICES

Fold-Out


Careers
Express
Your One-Stop Source for
Temporary and Full-Time Employment

Supreme Court, U.S.
FILED
NOV 8 2000
CLERK

(2)

No. 00-565

In The

Supreme Court of the United States

EXPRESS SERVICES, INC.,

Petitioner,

v.

CAREERS EXPRESS STAFFING SERVICES and TAMMY M. FORD d/b/a CAREERS EXPRESS,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Third Circuit

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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STATEMENT PURSUANT TO RULE 29.6

Defendants/Appellees, Careers Express Staffing Services and Tammy M. Ford d/b/a Careers Express, respectfully state that neither Defendant/Appellee is a publicly traded entity and that neither Defendant/Appellee has a parent, subsidiary or affiliate which has issued shares to the public.

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STATEMENT OF THE CASE

Express Services, Inc. ("Express"), is a Colorado corporation with its principal place of business in Oklahoma City. Careers Express Staffing Services and Tammy M. Ford d/b/a Careers Express ("Careers") have their principal place of business in King of Prussia, Pennsylvania. Express operates a nationwide franchise system of more than 300 franchisees and provides temporary and permanent employment agency services. Express' first use of the mark "Express Personnel Services" in the Philadelphia area occurred almost simultaneously with Careers' first use of the mark "Careers Express." The Third Circuit held that it was not clear error for the District Court to have determined that Express failed to demonstrate that Careers' use of the name "Careers Express" created a likelihood of confusion, which is required to establish infringement. Pet., App. A at 10a.

The District Court found that Express carries on no business under the single name "express." Pet., App. E at 33a. The District Court also found that all of the businesses of Express use "express" in conjunction with some other word or design. Pet., App. E at 33a. Express offered no evidence to the contrary at trial. Furthermore, the District Court found that Express does business in Pennsylvania exclusively as "Express Personnel Services." Pet., App. E at 33a. This finding of fact was not challenged by Express in either of its appeals to the United States Court of Appeals for the Third Circuit or its Petition for Writ of Certiorari from this Court.

The District Court found that advertising specimens submitted by Express to the United States Patent and

Trademark Office ("USPTO") showing only the word "express" as a mark have never been used in commerce. Pet., App. E at 33a. Such a finding raises the issue of whether or not Express is entitled to any of the benefits of the registration of the mark "Express."

Finally, the District Court held that the use of the word "careers" is sufficient to distinguish the two companies' marks in the minds of consumers as representing different entities. Pet., App. E at 39a. Such a finding clearly indicates that even if the term "express" were deemed to be arbitrary or suggestive, Express did not establish that Careers' use of the name "Careers Express" created the likelihood of confusion.

MISSTATEMENTS OF FACT AND LAW CONTAINED IN THE PETITION

Express misstated the nature of its marks by claiming that a crucial part of its success has been its reliance on a family of service marks that permit customers easily to identify the source of the services Express provides. Pet. at 3. There is no evidence in the record to establish such a self-serving claim.

Express also stated that as a result of litigation it was successful by compelling competitors to cease using a wide variety of similar names. Pet. at 4. Such a statement ignores the fact that the companies that changed the names of their businesses did so as a means of avoiding the need to expend time and resources to litigate the claims filed by Express. The District Court found that despite the fact that Express has taken legal action

against twenty-five companies for trademark infringement, most of these disputes have been settled and no court has issued an injunction on the merits of any case prohibiting the use of the Express marks by any other person. Pet., App. E at 33a-34a. Express improperly described the nature of the results of its litigation as "successful."

Express misstated the nature of its advertising by claiming that all of the advertising by its franchisees prominently displayed Express' registered marks. Pet. at 4. The District Court found that advertising specimens submitted by Express to the USPTO showing only the word [sic] "express" as a mark have never been used in commerce. Pet., App. E at 33a.

Express referred to the District Court's original finding that the term "express" is generic descriptive. Pet. at 5. The District Court in its opinion dated November 5, 1999, indicated that such a characterization was simply a typographical error. Pet., App. D at 24a. This issue is moot at this time.

Express also made reference to the Third Circuit's analysis of the characterization of the term "express" to argue that the Third Circuit considered the term to be suggestive. Pet. at 7. First, the Third Circuit did not state that the term "express" is likely to be suggestive. Furthermore, given the fact that this case was remanded subsequent to the entry of the first Third Circuit opinion, the analysis contained in that opinion is not properly before this Court.

Express claimed that the District Court improperly placed the burden of proving the marks' distinctiveness

on Express. Pet. at 7. The District Court properly placed the burden on Express to prove a likelihood of confusion. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992). Express was unable to sustain its burden of proof as to the ultimate issue in the case.

Express misstated the nature of the question presented by posing the hypothetical question, "Does the fact of registration provide protection against infringement?" Pet. at 10. Careers respectfully suggest that the ultimate issue in trademark infringement cases is whether or not the plaintiff has satisfied its burden of proof that there is a likelihood of confusion created by the alleged infringer's use of the mark. *Id.*, at 769. Express is implying that the classification of the term "express" as descriptive removes the protections created by its registration with the USPTO. The accurate classification of the term "express" as descriptive does not improperly take anything away from Express.

Express misstated the nature of the Third Circuit's decisions regarding distinctiveness by claiming that the presumption of distinctiveness has no effect whatsoever. Pet. at 17. The presumption of validity, which is not a presumption of distinctiveness, is taken into consideration by the Third Circuit in infringement cases. Regardless of whether or not the term "express" is presumed to be entitled to a classification as arbitrary, fanciful or suggestive, the District Court carefully analyzed the nature of the marks of Express in reaching its decision that despite any arguments by Express to the contrary, the term "express" is descriptive. The District Court found that the commonality of the words "express" and "service" lead to a conclusion that the marks of Express

are weak and entitled to limited protection. Pet., App. E at 38a. Furthermore, the District Court found that the term "express" describes a characteristic of how Express provides its employment services. Pet., App. E at 26a. Express is attempting to have this case reviewed to address an issue that had little or no impact on the decisions in favor of Careers. The term "express" is descriptive, regardless of what presumptions may be attached to its registration.

Express quoted language from a Third Circuit case out of context. Express includes the quotation, "to demonstrate that the [registered] mark is valid and legally protectable, [plaintiff] must demonstrate that it had established secondary meaning." Pet. at 17. Express failed to include the rest of the sentence, which was as follows, "in the [registered] mark as of the year in which [the defendant] began use of the mark." *Commerce Nat. Ins. v. Commerce Ins. Agency*, 214 F.3d 432, 443 (3rd Cir. 2000).

Trademark law helps the holder of a mark by giving the holder the ability to prevent importation of confusingly similar goods, giving constructive notice of ownership, giving incontestable status and granting the holder prima facie evidence of validity and ownership. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 174 (1995). Express indicated that the presumption of distinctiveness is one of the benefits of registration and cited *Qualitex Co.* to support their argument. *Id.*, at 174. However, *Qualitex Co.* listed evidence of validity and ownership, not a presumption of distinctiveness.

Finally, Express argued that if the burden of proof on the issue of distinctiveness is shifted to Careers, the District Court would have been required to find Careers liable for infringement. Pet. at 22. This argument is not plausible because it ignores the indisputable fact that Express has the burden of proof on the issue of likelihood of confusion. *Two Pesos, Inc.*, 505 U.S. at 769.

REASONS WHY THE PETITION SHOULD BE DENIED

The sole question presented by Express is which party bears the burden of proof that a mark is distinctive or not distinctive. The Third Circuit's decision in this case is not in conflict with the decision of any other United States court of appeals as to this issue. Nor is this issue one that needs to be decided by this Honorable Court. The Third Circuit's decision was proper in all respects and Careers respectfully urge this Court to deny the Petition for Writ of Certiorari.

Furthermore, Express failed to include an analysis of the question presented as to the Tenth Circuit, Eleventh Circuit or District of Columbia Circuit in its petition. Pursuant to Rule 14.4 of the Rules of the Supreme Court of the United States, Express' failure to include this analysis prevents this Court from being able to have a ready and adequate understanding of the points requiring possible consideration. Accordingly, this omission alone is sufficient for the Court to deny the petition filed by Express. In addition, this flaw in the petition cannot be remedied in any subsequent filings by Express.

I. THE SPLIT AMONG THE CIRCUITS AS TO THE EFFECT OF THE PRESUMPTIONS CREATED BY REGISTRATION DOES NOT JUSTIFY REVIEW BY THIS COURT.

The District Court found that Express carries on no business under the single name "Express," that all of Express' businesses use "express" in conjunction with some other word or design and that Express does business in Pennsylvania exclusively as "Express Personnel Services." Pet., App. E at 33a. The District Court also found that no imagination, thought or perception is needed to establish a connection between the term "express" and Express' business. Pet., App. D at 27a. Express presented no evidence to contradict the District Court's findings, and the District Court correctly determined, based on an analysis of the appropriate factors, that the word "express" describes a specific quality and characteristic of the employment services provided by Express. Pet., App. D at 27a. Accordingly, even if the District Court was required to apply the additional presumptions to the registration of the marks of Express, said presumptions were clearly rebutted by Careers. Nevertheless, Careers will address some of the various Circuit Court opinions on this issue. Again, Express failed to address three of the twelve Circuit Courts.

1) **First Circuit.** Express failed to present any evidence at trial as to its belief that there are presumptions that the term "express" is not descriptive and that the term "express" has acquired secondary meaning. In fact, Express failed to present any witnesses or survey evidence at trial. Express cannot raise arguments on appeal that it failed to present to the District Court. *Equine*

Technologies, Inc. v. Equitechnology, Inc., 68 F.3d 542, 546 (1st Cir. 1995). Furthermore, the strength of a mark is but one of eight factors (in the First Circuit) to be considered in analyzing the likelihood of confusion issue. *Id.*

The First Circuit indicated that it agrees with the Seventh Circuit that "the procedural advantages conferred by registration are not substantial, at least in the context of determining the issue of likelihood of confusion." *DeCosta v. Viacom Intern., Inc.*, 981 F.2d 602 (1st Cir. 1992) (quoting *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375, 379 (7th Cir. 1984)). By agreeing with the Seventh Circuit on this issue, it is clear that these two Circuit Courts do not have conflicting views regarding the effect of the presumptions created by the registration of a trademark. The presumptions do not have a major impact on the ultimate determination of whether there is a likelihood of confusion created by an alleged infringer's use of a trademark.

2) **Second Circuit**. Whether secondary meaning has attached to a mark is a question of fact with the burden of proof on the party claiming exclusive rights. *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 393 (2nd Cir. 1995); *Papercutter, Inc. v. Fay's Drug Co., Inc.*, 900 F.2d 558, 564 (2nd Cir. 1990) (citing *815 Tonawanda Street Corp. v. Fay's Drug Co.*, 842 F.2d 643, 647-658 (2nd Cir. 1988)). This burden does not shift upon a decision of the USPTO to register a mark without evidence that the USPTO registered the mark upon finding that it had acquired secondary meaning. *Papercutter, Inc.*, 900 F.2d at 564. No evidence was presented to indicate that the

USPTO found the term "express" to have acquired secondary meaning. Erroneous factual findings, if any exist, do not justify review by this Court.

The ultimate test of the strength of a mark is its actual recognition among the consuming public. *Playboy Enterprises, Inc. v. Chuckleberry Pub.*, 486 F. Supp. 414, 420 (S.D.N.Y. 1980). The Third Circuit held that Express presented insufficient evidence to establish that the consuming public recognizes or identifies the "express" mark as connoting a common origin. Pet., App. A at 9a.

3) **Third Circuit.** The fact that a trade name is similar to many other businesses around the nation weakens the trade name and any minor additions or changes to that mark effectively negate any arguably confusing similarity between the two. *First Keystone Bank v. First Keystone Mortg.*, 923 F. Supp. 693, 704 (E.D.Pa. 1996). Given the fact that many businesses use the word "express," the mark "express" was held to be weak. Pet., App. E at 38a.

A claimant can establish trademark rights if it proves that consumers identify the term with the claimant, for that identification proves secondary meaning. *Dranoff-Perlstein Associates v. Sklar*, 967 F.3d 852, 855 (3rd Cir. 1992). Similarly stated, if a court finds a mark to be descriptive, the mark is legally protectable only if it has acquired secondary meaning; i.e., that consumers identify the mark as associated with a particular source of goods or services. *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 297 (3rd Cir. 1986).

In its appeal to the Third Circuit, Express cited *Dranoff-Perlstein* for the proposition that Careers is required to

prove that Express' marks have not acquired secondary meaning. Nothing in *Dranoff-Perlstein* shifted that burden to Careers. Furthermore, Express claimed in its petition that the Lanham Act's presumption of distinctiveness does not shift any burden to Careers. Pet. at 17. Express first attempted, in its appeal to the Third Circuit, to have the District Court decision reversed due to an alleged shift of the burden of proof in the Third Circuit. Then Express argued in its petition that there is no shift of the burden in the Third Circuit, because such an argument could possibly be deemed to warrant a review of this case. Careers respectfully suggest that Express cannot raise arguments in its petition that it failed to present to the Third Circuit. *Equine Technologies, Inc.*, 68 F.3d at 546.

Express argued in its appeal to the Third Circuit that proof of protectability is proof of likelihood of confusion, and cited *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 465 (3rd Cir. 1983) as its authority. However, *Interpace* held that proof of likelihood of confusion is proof of secondary meaning. *Id. Interpace* did not hold that proof of protectability is proof of likelihood of confusion.

In order for Express, the owner of a legally protectable mark, to hold Careers liable for trademark infringement under the Lanham Act, Express must show that Careers has used a *confusingly* similar mark. *A & H Sportswear v. Victoria's Secret Stores*, 166 F.3d 191, 194 (3rd Cir. 1999) (emphasis added). The Third Circuit held that the plaintiff in a trademark infringement action must establish that the use of the alleged infringing mark is likely to cause confusion. *Id.* at 194. Express cannot obviate their burden of proof on the issue of likelihood of confusion based on their mere registration of several

trademarks, all of which include the descriptive term "express."

4) **Fourth Circuit.** The Fourth Circuit denied injunctive relief in an infringement action due to lack of competition in a particular geographic area, despite the fact that the phrase "Pizzeria Uno" was deemed suggestive, rather than descriptive. *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1536 (4th Cir. 1984). Despite the presumption that the phrase "Pizzeria Uno" was deemed to be suggestive, the determination that the phrase was not descriptive had no effect on the determination as to whether a likelihood of confusion was created by the alleged infringer in *Pizzeria Uno*.

The term "petro" was determined to be descriptive and weak, despite the fact that the plaintiff had eight incontestable registered marks. *Petro Stopping Centers v. James River Petroleum*, 130 F.3d 88, 92 (4th Cir. 1997). *Petro Stopping Centers* was decided after the *Pizzeria Uno* case, which was actually used in *Petro Stopping Centers* as the case that sets forth the factors to be used in the determination of likelihood of confusion. *Petro Stopping Centers*, 130 F.3d at 93 (citing *Pizzeria Uno Corp.*, 747 F.2d at 1527). The court in *Petro Stopping Centers* stated that it was free to address whether an incontestable trademark is descriptive or suggestive in determining whether the likelihood of consumer confusion exists. *Id.*, at 92. The presumption that a registered mark is not descriptive had no effect on the finding that there was no likelihood of confusion in *Petro Stopping Centers*.

5) **Fifth Circuit.** Common descriptive words make trade names weak. *Armstrong Cork Co. v. World Carpets*,

Inc., 597 F.2d 496, 505 (5th Cir. 1979) (wide usage of the mark "world" results in little likelihood of confusion); *Holiday Inns, Inc. v. Holiday Out In America*, 481 F.2d 445, 448 (5th Cir. 1973) (common word "holiday" is of weak trademark significance). "Express" is a widely used word that the District Court held had weak trademark significance. Pet., App. E at 38a. The District Court's findings clearly establish that the term "express" is descriptive regardless of which party had the burden of proof as to the issue of the distinctiveness of the term.

Furthermore, evidence of third party usage of similar marks is relevant to show that the mark is relatively weak and entitled to a narrower scope of protection. *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 259-260 (5th Cir. 1980). Accordingly, the District Court held that the marks of Express are entitled to limited protection. Pet., App. E at 38a. In fact, the District Court took judicial notice of the fact that many companies use the word "express" to describe the speediness of their work. Pet., App. E at 38a.

The Fifth Circuit held that the presumption of validity that attaches to a service mark is not relevant to the issue of infringement and that the burden of proof of infringement must be borne by the party claiming injury. *Sun Banks of Fla. v. Sun Fed. Sav. & Loan*, 651 F.2d 311, 315 (5th Cir. 1981).

The Fifth Circuit also held that it would be error to grant the plaintiff a presumption of secondary meaning, because the question of secondary meaning was a question of fact to be determined by the jury. *Igloo Products Corp. v. Brantex, Inc.*, 202 F.3d 814, 818 (5th Cir. 2000).

Accordingly, there is no shift of the burden of proof as to secondary meaning in the Fifth Circuit.

6) **Sixth Circuit.** In a Michigan case it was held that it is questionable whether the term "express" is arbitrary, rather than descriptive. *Express Funding, Inc. v. Express Mortgage, Inc.*, 894 F. Supp. 1095, 1100 (E.D.Mich. 1995). Careers respectfully suggest that the District Court was correct when it found that "express" is a descriptive term. Pet., App. D at 28a. Other than the fact that Express registered its mark, there is no evidence in the record to contradict the findings of the District Court.

7) **Seventh Circuit.** The Seventh Circuit has held that the registration of a trademark does not confer upon that mark a presumption of nondescriptiveness. *EZ Loader Boat Trailers, Inc.*, 746 F.2d at 379. In *EZ Loader*, the court further stated that it did not find that the procedural advantages conferred by registration are substantial in the context of determining the likelihood of confusion. *Id.* For this reason alone, the Petition for Writ of Certiorari should be denied.

If a term is descriptive of the trademark holder's use, the holder must establish a secondary meaning in order to prove infringement. *Spraying Systems Co. v. Delavan, Inc.*, 975 F.2d 387, 393 (7th Cir. 1992). Application of the "family of marks" doctrine requires a showing that the family feature or "surname" is distinctive enough to trigger recognition "in and of itself." *Id.* at 395. In other words, a descriptive term can serve as a family surname only where there is a **strong** showing of secondary meaning in the term. *Id.* (emphasis added). The District Court held that no imagination, thought or perception is needed

to establish a connection between the term "express" and the business of Express. Pet., App. D at 27a. In addition, the District Court held that no secondary meaning has been established by Express. Pet., App. D at 28a. Express simply argued in its petition that secondary meaning should be presumed.

Validity and likelihood of confusion are distinct issues, and an incontestability finding in no way concludes the confusion question. *Source Services Corp. v. Chicagoland Jobsource, Inc.*, 643 F. Supp. 1523, 1532 (N.D.Ill. 1986). The court in *Source Services* stated that the plaintiff's argument that incontestable marks are conclusively presumed to be strong was spurious and did nothing to indicate the strength of the mark. *Id.*, at 1532-1533. Likewise, the presumption that the term "express" is a valid mark has little to do with a determination that the term "express" is a strong mark. Nor does the presumption resolve the issue as to whether the use of the term "express" by Careers causes a likelihood of confusion.

An argument that a mark is descriptive is proper to bolster a claim that there is no likelihood of confusion. *Munters Corp. v. Matsui America, Inc.*, 909 F.2d 250, 252 (7th Cir. 1990). Despite the effect of registration and the presumptions created thereby, the finding that the term "express" is descriptive is consistent with the provisions of the Lanham Act.

8) **Eighth Circuit.** In a Minnesota case, both the word "team" and the phrase "team electronics" were registered as marks with the USPTO. *Team Cent. Inc. v. Xerox Corp.*, 606 F. Supp. 1408, 1410 (1985). The word

"team" was held to lack protection as a trademark unless it acquired a secondary meaning. *Team Cent.*, 606 F. Supp. at 1413. This holding took into consideration the fact that the word "team" was registered with the USPTO. *Id.* Likewise, the registration of the word "express" by Express does not change the fact that "express" is a descriptive term. The court in *Team Cent.* further held that even if a word has acquired a secondary meaning through use in conjunction with a specific mark, others may continue to use the word in a manner that conveys its primary meaning. *Id.* Accordingly, the word "express" may be used by Careers and any other companies in a manner that conveys its primary meaning, regardless of the characterization of the term.

Determining that a mark is weak means that consumer confusion has been found unlikely because the mark's components are so widely used that the public can easily distinguish slight differences in their marks even if the goods are related. *General Mills, Inc. v. Kellogg Company*, 824 F.2d 622, 626 (8th Cir. 1987). Evidence of third party usage of similar marks is admissible and relevant to show that the mark is relatively weak and entitled to a narrower scope of protection. *Id.*, at 626-627. The District Court held that Express' marks are weak and entitled to limited protection. Pet., App. E at 38a. When the number of identical or similar trademarks already in use is high, the likelihood of confusion is low. Restatement of Torts § 729 comment g. The District Court took judicial notice that many companies use the word "express" in their names. Pet., App. E at 38a. In analyzing the similarities of sight, sound and meaning between two marks, a court

must look to the overall impression created by the marks and not compare individual features. *General Mills, Inc.*, 824 F.2d at 627. The District Court conducted such an analysis and determined that there was no likelihood of confusion between the parties' marks. Pet., App. D at 28a. Additionally, a mark's registration does not affect the plaintiff's ultimate burden of proof in an infringement action. *Id.*, at 625 (citing *Freedom Sav. & Loan Ass'n v. Way*, 757 F.2d 1176, 1182 n. 4 (11th Cir. 1985)).

9) **Ninth Circuit.** The strength of the phrase "Park 'N Fly" was held to not weigh heavily in favor of a finding of infringement. Nevertheless, the Ninth Circuit held that there was a likelihood of confusion between "Park 'N Fly" and "Park and Fly." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 72 F.2d 1508, 1509 (9th Cir. 1986). Apparently, the strength of a mark is not deemed to be a decisive factor in the Ninth Circuit, regardless of any presumptions created by registration. In fact, the Ninth Circuit has held that suggestive marks are weak. *Accuride Intern., Inc. v. Accuride Corp.*, 871 F.2d 1531, 1536 (8th Cir. 1989). Even if the term "express" were to be deemed suggestive instead of descriptive, it would still be a weak term according to *Accuride*.

10) **Tenth Circuit.** Without waiving its objection to the failure of Express to address the question presented as it relates to all of the Circuit Courts, Careers will briefly address the law in the Tenth Circuit and Eleventh Circuit.

"A strong trademark is one that is rarely used by parties other than the owner of the trademark, while a

weak trademark is one that is often used by other parties." *Universal Money Centers v. AT&T*, 22 F.3d 1527, 1533 (10th Cir. 1994). The District Court found that many companies use the term "express" in the name of their businesses. Pet., App. E at 38a. Accordingly, the term "express" is weak.

The phrase "king of the mountain" was determined to be quite strong. Nevertheless, the strength of the mark was held to not outweigh the other factors, and the Tenth Circuit held that there was no likelihood of confusion. *King of the Mountain Sports v. Chrysler Corp.*, 185 F.3d 1084, 1091 (10th Cir. 1999). Accordingly, the strength of the mark is not a determinative factor.

11) **Eleventh Circuit**. The Eleventh Circuit held that it was not going to defer to an ethereal determination that is not affirmatively stated by the administrative agency. *Investacorp, Inc. v. Arabian Investment Banking Corp.*, 931 F.2d 1519 (11th Cir. 1991). The USPTO never affirmatively stated that the term "express" is not descriptive or that the term "express" has acquired a secondary meaning. Therefore, the aforementioned presumptions should not be applied in this case or in other trademark infringement actions.

In a Florida case, the term "final" was registered in the USPTO, but found to be a weak term due to its descriptive nature. *Bell Laboratories, Inc. v. Colonial Products, Inc.*, 644 F. Supp. 542, 548 (S.D.Fla. 1986). Likewise, "express" was found to be a weak term due to its descriptive nature. Pet., App. E at 38a. Again, Express failed to address the Eleventh Circuit in its petition.

Finally, the fact of registration does not affect the plaintiff's ultimate burden of proof in an infringement action. *Freedom Sav. & Loan Ass'n*, 757 F.2d at 1182 n. 4.

II. THE DECISION BELOW IS CONSISTENT WITH *PARK 'N FLY, INC. V. DOLLAR PARK AND FLY, INC.*

This Court did not hold in *Park 'N Fly* that the descriptive nature of a mark may not be considered in the separate likelihood of confusion inquiry. *Petro Stopping Centers*, 130 F.3d at 92 (citing *Park 'N Fly, Inc., v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985)). The District Court did exactly what the Fourth Circuit indicated was permissible, using the rationale of *Park 'N Fly*. Incidentally, *Petro Stopping* is a Fourth Circuit case, one which Express claims shifts the burden of proof to defendants to prove that a mark is not distinctive.

In analyzing *Park 'N Fly*, the Seventh Circuit held that it is proper to consider a mark's strength for purposes of determining if there is a likelihood of confusion. *Munters Corp.*, 909 F.2d at 252. Express is attempting to have this Court remove the strength of a registered mark as one of the factors to be used to determine likelihood of confusion, which would be inconsistent with *Park 'N Fly*.

III. THE QUESTION PRESENTED BY EXPRESS IS NOT SUFFICIENTLY IMPORTANT TO WARRANT REVIEW BY THIS COURT.

Despite the fact that trademark issues concern federal law, each circuit court uses its own set of factors to

decide whether there is a likelihood of confusion, which is the ultimate issue in all trademark infringement cases. This Court has not taken any steps to achieve uniformity among the circuit courts as to the factors to use. Nevertheless, Express is asking this Court to issue a decision to achieve uniformity among the circuit courts as to the applicability of the effect of presumptions that result from the registration of a trademark with the USPTO. Careers respectfully urge this Court to deny the petition because the finding that the term "express" is descriptive does not conflict in any way with the decisions of the other circuit courts. The findings of fact and conclusions of law of the District Court and the Third Circuit in this case clearly indicate that, despite any presumptions that may have resulted from the registration of the word "express," the term "express" is descriptive. The District Court held that the term "express" describes a characteristic of how Express provides its employment services. Pet., App. D at 26a. The District Court also held that the term "express" communicates the idea that Express provides its personnel services and career services in an expeditious manner. Pet., App. D at 27a. Even if the District Court adopted Express' position that there is a presumption created by the registration of the term "express" that the term is not descriptive, the District Court's conclusions indicate that Careers would have been found to overcome any such presumption.

Express stated in its petition that where the burden of proof lies on a given issue is frequently dispositive. Pet. at 19. However, where the burden of proof lies on the issue of the strength or distinctiveness of a mark is but one of many factors utilized to determine the ultimate

issue as to whether there is a likelihood of confusion. Again, the procedural advantages conferred by registration are not substantial in the context of determining the likelihood of confusion. *EZ Loader Boat Trailers, Inc.*, 746 F.2d at 379.

According to Express, the shift of the burden of proof on the single issue of the distinctiveness of the term "express" would automatically lead to a finding that the use of the term "express" by Careers constitutes trademark infringement, regardless of the fact that Express was unable to establish that such use created a likelihood of confusion. Pet. at 21-22. Express' argument is wholly without merit.

Careers considers it unconscionable for Express to fail to present any witnesses at trial and then argue that the issue they have presented is of critical importance in nearly every trademark infringement suit filed. Pet. at 19. In addition, Express claimed that "the allocation of the burden of proof as to a mark's distinctiveness will in virtually all but the starkest cases determine the outcome of that crucial dispute." Pet. at 19. In addition, Express actually argued in its petition that if Careers had the burden of proof as to the distinctiveness of the marks of Express, that shift would spell the difference in the outcome of this case. Pet. at 21. Such statements appear to indicate that Express believes that the burden of proof as to the ultimate issue, the likelihood of confusion, should be borne by defendants in trademark infringement litigation. If defendants in trademark infringement cases are required to disprove the distinctiveness of a trademark, those defendants would be forced to disprove the likelihood of confusion according to the arguments of Express.

Such propositions are contradictory to all trademark laws and due process.

CONCLUSION

Regardless of the assertion by Express that defendants in trademark infringement actions should have the burden of proof on the issue of the distinctiveness of a registered term, the term "express" is descriptive based on the findings of the District Court and the Court of Appeals. The determination that the term "express" is descriptive does not conflict with any of the cases cited by Express in its petition. Nor is the decision in this case based on an issue that is sufficiently important to warrant review by this Court. Express' attempt to shift the burden of proof as to one of the multiple factors used to assess the likelihood of confusion is not sufficient for the grant of a writ of certiorari.

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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(3)

No. 00565

Supreme Court, U.S.
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In The
Supreme Court of the United States

EXPRESS SERVICES, INC.,
Petitioner,

v.

CAREERS EXPRESS STAFFING SERVICES, et al.,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

PETITIONER'S REPLY BRIEF

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Respondents concede that the Courts of Appeals are divided on the Question Presented. Resp. at 7 (acknowledging "[t]he split among the Circuits as to the effect of the presumptions created by registration"). Indeed, as Respondents correctly note, "each circuit court uses its own set of factors" in evaluating claims of trademark infringement under the Lanham Act, but "[t]his Court has not taken any steps to achieve uniformity among the circuit courts." Resp. at 18-19. This case provides the opportunity to achieve uniformity on one issue, the most fundamental of all: Who bears the burden of proof as to a registered mark's distinctiveness? A firm with a valuable trademark might have to bring hundreds of lawsuits against perceived infringers in order to protect its mark. When the firm has already persuaded the Patent and Trademark Office (PTO) that its mark is sufficiently distinctive to be placed on the Principal Register, must it prove the mark's distinctiveness again and again, in every new infringement suit? Or does the presumption set forth in sections 7(b) and 33(a) of the Lanham Act, 15 U.S.C. §§ 1057(b) and 1115(a), which makes federal registration *prima facie* evidence of a mark's validity, shift the burden of persuasion as to the mark's distinctiveness to the alleged infringer? As we showed in our petition, the Courts of Appeals are split six to three on this question.

Respondents contest only the importance of the Question Presented, both in general and in this case. But Respondents are wrong on both counts.

The issue of a mark's distinctiveness – whether the mark should be classified as generic, descriptive, suggestive, arbitrary, or fanciful – arises twice in every suit for infringement. First, the plaintiff must prove that it holds a protected trademark, but if the mark is not distinctive (i.e., if

it is no more than merely descriptive), it is not a valid trademark, and is therefore not entitled to protection. Respondents state the law incorrectly when they assert that the Lanham Act's presumption of validity for registered trademarks "is not a presumption of distinctiveness." Resp. at 4. Under the Lanham Act, distinctiveness is a prerequisite for validity. If a mark is not distinctive, it is not valid. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768-69 (1992). The presumption of validity therefore *is* a presumption of distinctiveness.

Second, the plaintiff must prove that the defendant's conduct is likely to cause confusion among customers. 15 U.S.C. §§ 1114(1), 1125(a). The distinctiveness of the plaintiff's mark is a crucial element – often the pivotal element – in the multi-factor test used to assess the likelihood of confusion. 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23.19 (4th ed. 1996-2000). The presumption of distinctiveness thus comes into play not just in determining the validity of a plaintiff's registered mark, but also in determining whether there is a likelihood of confusion between the plaintiff's and defendant's marks. *See, e.g., Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1534 (CA4 1984) (invoking the presumption of distinctiveness in determining likelihood of confusion); *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (CA9 1992) (same).

Thus, while the ultimate issue in an infringement suit is whether there is a likelihood of confusion, that determination cannot be made until the trier of fact has twice assessed the critical and often dispositive issue of the mark's distinctiveness. Under the Lanham Act, ***both*** of those assessments must be made with a presumption of the mark's distinctiveness.

Respondents are correct but beside the point when they say that "[v]alidity and likelihood of confusion are distinct issues." Resp. at 14. They are indeed distinct issues, but both turn on a determination of the distinctiveness of the plaintiff's mark. And while the ultimate burden of persuasion as to likelihood of confusion remains with the plaintiff, the allocation of the burden as to distinctiveness can make all the difference.

This case is a perfect example. Respondents find it "unconscionable," Resp. at 20, that we presented no witnesses on the issue of distinctiveness. But we shouldn't have had to: Once we had established by stipulation that our marks were registered with the PTO, Pet. App. at 31a, the burden of persuasion as to distinctiveness should have been on *Respondents*, not us. Contrary to Respondents' insinuation, our position has been consistent throughout this litigation: Having proven our marks' distinctiveness before the PTO when we obtained our registrations, the Lanham Act spares us the burden of re-proving the same fact, over and over and over, in every court that hears an infringement suit.

Had the burden of persuasion as to distinctiveness been properly placed on Respondents, the outcome of this case would almost certainly have been different. After all, as the Third Circuit observed in this very case, classification errors are not harmless "because of the significance classification has in determining ... whether there is a likelihood of confusion." Pet. App. at 5a. And both lower courts acknowledged that the issue of the distinctiveness of Express's marks virtually controlled the likelihood of confusion analysis in this case because when the goods or services sold by the plaintiff and the defendant are in direct competition, "the court need rarely look beyond the mark

itself" to determine whether there is a likelihood of confusion. Pet. App. at 18a, 36a.

But the ultimate outcome on the merits of the case is, of course, of minimal relevance at this stage. The Question Presented is not whether a particular federally registered trademark is distinctive, but how Districts Courts should evaluate claims of distinctiveness generally. This is a fundamental issue of trademark law, an issue that recurs in every lawsuit under the Lanham Act for infringement of contestable registered trademarks. The Courts of Appeals are split six to three. The petition for a writ of certiorari should be granted.

Respectfully submitted,

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